A MONTANA HIGHWAY PROGRAM

Report and Proposal of the GOVERNOR'S INTERIM HIGHWAY COMMITTEE 1950

GOVERNOR'S INTERIM HIGHWAY COMMITTEE

December 4, 1950

Honorable John W. Bonner
Governor of Montana
Helena, Montana

Dear Governor:

The Governor's Interim Highway Committee has concluded its study of Montana's highway problem. All information available has been thoroughly digested and final conclusions have been reached.

It is this Committee's honor to submit to you herewith its report entitled "A Montana Highway Program, Report and Proposal of the Governor's Interim Highway Committee, 1950."

Respectfully yours,

George Schotte, Chairman

C. M. Wall, Secretary

"We pay for good roads whether we have them or not, and we pay more for them if we don't have them, than if we do."

T. H. MacDonald

Commissioner of Public Roads

GOVERNOR'S INTERIM HIGHWAY COMMITTEE

Membership

Chairman
George Schotte, Butte

Secretary
C. M. Wall, Helena

District No. 1

Brad Seeley	Whitefish
James Gary	Kalispell
O. L. Gillespie	Libby
Frank S. Sabin	Eureka
Guy Sperry	Ronan
E. B. Winter	Polson

District No. 2

Dr. C. H. Minnette	Cutbank
Fred E. Barrett	Chester
Monte A. Burgess	Chinook
Edward A. Daubenspeck	Shelby
Leo Kraft	Havre
Edward A. Marion	Browning

District No. 3

Fred Robinson	Malta
Dr. P. M. Feda	Wolf Point
M. A. LaMotte	Scobey
J. W. McKee	Plentywood
H. O. Morgan	Glasgow
Buck Ryder	Froid

District No. 4

Ben M. Larson	Circle
D. C. Bradley	Terry
R. J. Hilger	Glendive
Bert Lalonde	Sidney
W. P. Marcus	Wibaux
J. J. Ming	Bloomfield

District No. 5

Earl McGinnis	Lewistown
Al Hawkinson	Jordan
Pete Teigen	Teigen

District No. 6

O. S. Warden	Great Falls
J. H. Ernest	Stanford
Al Hensley	Choteau
Dr. Harry McGregor	Great Falls
E. F. Wyse	Conrad

District No. 7

C. M. Wall	Helena
George M. Hall	Whitehall
W. H. McIntyre	Townsend
Claude A. Mitchell	Boulder

District No. 8

Maj. Evan W. Kelley	Missoula
Thomas B. Castles	Superior
Clyde J. Neua	Philipsburg
Amos Riley	Plains
W. E. Sears	St. Regis
Pete M. Staton	Hamilton
Lee Williams	Deer Lodge

District No. 9

Dan McKittrick	Anaconda
Robert E. Gohn	Virginia City
George Melton	Dillon
J. Hal Pasley	Ennis
George Schotte	Butte

District No. 10

L. V. Swanson	Livingston
George Bing	White Sulphur Springs
Bert Griffin	Bozeman
R. S. McQuitty	Harlowton
C. E. Smart	Big Timber

District No. 11

George Daniels	Hardin
John N. Carlson	Roundup
Mearl L. Fagg	Billings
John R. Graham	Red Lodge
Jesse L. Kiefer	Park City
Oliver Wold	Laurel
Harold Zent	Hysham

District No. 12

Paul F. Jelinek	Miles City
E. L. Dorsett	Colstrip
Orval Gentry	Broadus
Odin Myhre	Baker
Glen Woolhiser	Ekalaka

Representatives of Agriculture

Stanley Antrim	Montana Woolgrowers Assn.	Stevensville
A. C. Bayers	Montana Stockgrowers Assn.	Twin Bridges
Claude R. Hookham	Farmers Union	Emigrant
J. E. O'Connell	Farm Bureau	Helena
Dan Mizner	State Grange	Deer Lodge

Representative of Labor

James Umber	Missoula

Representative of Mining

Carl Trauerman	Butte

Representatives of Highway Transportation

Harry O. Bell	Montana Automobile Assn.	Missoula
John Rice	Montana Motor Transport Assn.	Great Falls

Members at Large

Hugo J. Aronson	Cutbank
D. M. Manning	Hysham
Ralph Bricker	Great Falls

Members at Large Continued

Richard Nixon	Hogeland
Frank E. Dougherty	Elliston
Mrs. Cassie B. Goresgahl	Wilsall

The first listed member of each District served as Chairman of his respective District and as a member of the Executive Committee.

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REPORT OF THE INTERIM COMMITTEE TO STUDY HIGHWAY PROBLEMS 1949-50

General Background Section

The Highway Interim Committee appointed by Governor Ford during 1948 made certain recommendations which eventually reached the Legislative Assembly of 1949. Those recommendations were accepted and acted upon in part only. The recommendations having to do with reorganizing the Highway Department were among those upon which action was not taken. The recommendations pertaining to providing additional revenues for highway purposes were accepted as to some items, and as to others they were either modified or rejected. As to the latter, the sources of revenue provided by the new Legislature were largely temporary in nature. They left the problem of providing funds following the end of the fiscal year 1951 as one to be struggled with by the incoming administration.

Second Interim Committee

The Legislature also failed to act upon the recommendation for the creation of an Interim Committee by law, to continue the study of the highway situation and all of its aspects. Following the adjournment of the Legislature of the 1949 session, of course Governor Bonner recognized the difficulties with which the State was confronted. Accordingly, early in the summer of 1949, the Governor asked representative bodies in each county of the respective highway construction districts to recommend names of men to serve on a Committee, the purposes of which are outlined in the following letter:

September 13, 1949

"I have taken the liberty of appointing you to be a member of the Interim Committee to Study Highway Problems.

"As you know, we face a serious problem concerning the financing of our highways in this state and the purpose of the committee is to meet with the view of studying the highway system of this state and present to the legislature a plan of adequate financing of our highway system.

"No appropriation for this committee has been made by the legislature, and it is strictly a committee of public-spirited citizens interested in highways who are willing to meet with the view of doing everything possible to aid our highway program.

"Personally, I believe this is one of the most important committees that we have, and I would sincerely appreciate it if you would attend its meetings and in the event you are unable to do so, see to it that an alternate is sent in your place because at the meetings it is desired that all the financial districts of this state be represented.

"I have called a meeting of the committee to be held in the House Chambers, Capitol Building, Thursday afternoon at 2:00 P. M., Sept. 29, and I earnestly ask that you be present because this will be one of the most important meetings that will be held by the committee.

"I know, with your help and with the help of the other members of the Committee, that we can contribute substantially to highways in Montana."

This letter was sent by Governor Bonner to the men chosen to comprise the "Interim Committee to Study Highway Problems."

The Committee convened for its first meeting in the House Chambers, Capitol Building, Helena, at 2:00 P. M., September 29. To those assembled, Governor Bonner again outlined the duties and responsibilities of the Committee by quoting from the second paragraph of his letter of September 13, and added that "this is necessarily a very long-range program which will require study of finances and general study of the whole highway subject."

With this charge from Governor Bonner always in mind, an Executive Committee numbering 29 men established by the Committee as a whole at the September 13 meeting, with George Schotte of Butte as Chairman and C. M. Wall of Helena as Secretary, began work. Final recommendations of the Executive Committee were submitted to the Committee of the whole July 28, 1950 in the Governor's Reception Chambers in the State Capitol Building. The recommendations were unanimously accepted by the Bommittee of the whole.

From the beginning to the end of its activities, the Executive Committee received generous cooperation from the Highway Department. The Committee labored as a truly independent body, entirely free to explore in its own chosen fields, saying what it believed to be pertinent to any situation under consideration, and to make such recommendations as in its judgment would be in keeping with the purposes for which the Committee was established.

As indicated in Governor Bonner's letter of September 13, 1949 the Committee proceeded entirely without benefit of any appropriated funds. Its members contributed their time. Many not only paid their own traveling expenses while going to, attending, and returning from sessions, but also met the cost of postage, telephone, and other miscellaneous items from personal funds. In instances of certain individuals, local public bodies made contributions to the expense funds of their respective representatives. The Chairman, George Schotte, traveled to the States of Washington, Oregon, and California at his own expense to investigate policies and practices in those commonwealths in respect to highway administration and financing. Secretary C. M. Wall visited Olympia, Washington on a similar mission.

Other Western States have appropriated large amounts to cover the cost of Interim Committee studies of their respective highway problems. This was done in recognition of the size, complexity, and importance of the problems. Patently, without benefit of funds to finance a research staff and to employ secretarial assistants, the Montana Interim Committee was forced to confine its operations to those features of the State's highway problems which were most urgently in need of attention, and with which the Committee could treat most constructively.

In view of the financial limitations surrounding the Committee's activities, it did not include in its agenda any comprehensive study of county roads, urban street problems, and rail crossings. Unfortunately, too, it could not include in its agenda thorough study of the highway accident factor, nor interstate relationships, except as regards licensing of vehicles and tax on motor fuels and other forms of highway users' tax. Neither did it have the resources available for a detailed study of economy of the functioning of the State Highway Departments. However, it is pertinent that the over-all expenditures for engineering, planning operations, and general supervision of the Department, in relation to total expenditures, are well within the limits commonly recognized as warranted in organizations of comparable or identical nature.

Now to proceed with other background information. Since the passage of the first Federal Aid Bill in 1916, the State highway activities in Montana have been intimately connected with the Federal aid program. Beginning about 1921 or 1922, the rate of progress of highway development in the State has been paced by the allocation of funds to Montana from the Federal aid appropriations, which the State has matched but often times with delay and difficulty. Since passage of the first Federal Aid Act, two organizations cooperatively functioning have had and still have to do with the planning for and the operation of highway activities of the State - one, the Highway Commission; two, the Bureau of Public Roads.

The following representation indicates the major responsibilities of these two bodies:

Creation and Revision of State Highway Commission

Highway Commission: The first State Highway Commission, largely advisory in nature and composed of three members, was established by the 13th. Legislative Assembly in 1913. The 15th Legislative Assembly in 1915 abandoned the 3-man commission and established one composed of one member from each one of a 12 county group. This commission had broader authority. By action of the extraordinary session of the 17th Legislative Assembly, the Highway Commission law was again amended. During the Legislative Session of 1921 another reorganization of the State Highway Commission occurred. This time a 3-man group was set up. Then, after a period of six years, the 27th Legislative Assembly reorganized the Commission on the present 5-man basis - one from each of five commissioner districts, each district comprised of certain specified counties. See Map #1.

Each Commissioner is appointed by the Governor to hold office for a term of four years. His compensation is at the rate of $10.00 per day for each day actually engaged in the duties of office, including travel time between his home and place of employment. He is also paid traveling expenses while away from home in the performance of his duty.

Powers & Duties of Highway Commission

The law specifies that the Commission shall choose one of its members as chairman and that it shall have the power* to appoint an engineer to be known as the State Highway Engineer, and other employees of the Commission, and shall fix the salaries of such engineer and other employees.

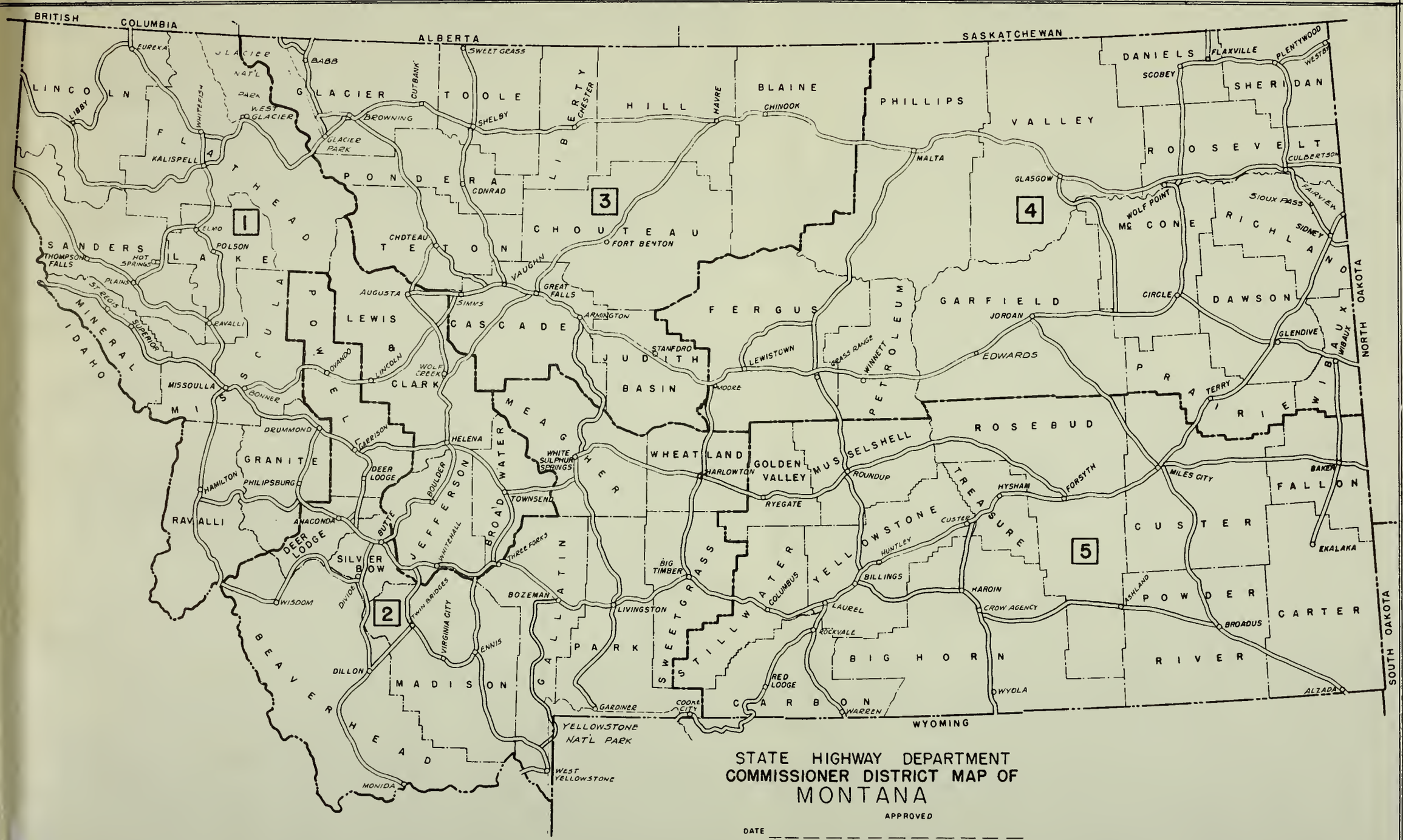
The State Highway Commission shall meet at least once each month for the purpose of transacting business. Other duties of the Commission as provided by the 1945 Act and other amendments, briefly, are:

*Note that the language referring to the Commissioner's authority to appoint an engineer and other employees is permissive, not directive. This deficiency in the law opens the door for outside political maneuvering in the filling of the Chief Engineer's position, a vitally important job that calls for the highest degree of tested professional engineering and administrative experience.

1. Maintain and preserve records in its office at the Capitol.
2. Keep said office open at such times as the Commission may require.
3. Keep on file a record of all proceedings, orders, plans, specifications, contracts, estimates, and official acts.
4. Submit to the Governor on or before the 15th day of each month a report of work constructed, under way, proposed construction, and progress made during the preceding month, and shall make recommendation as to needed improvements and their estimated cost.
5. Collect and compile statistics relative to the public highways of the state, and shall collect all other information relative thereto deemed expedient.
6. Investigate and determine upon various methods of road construction and as to the best method of construction and maintenance of roads, road markers, and other items that it may deem appropriate and necessary.
7. May be consulted at all reasonable times by the County Commissioners in regard to highway matters and shall give advice to such officers upon request and shall lend their aid in promoting highway improvements throughout the state.
8. Shall have the power and it shall be the duty to formulate all rules and regulations necessary for the government of the State Highway Commission.
9. Is authorized to make all rules necessary to comply with the Federal Road aid Act and to obtain for the State of Montana the full benefit of that Act.
10. Is authorized to and shall, in conjunction with the Board of County Commissioners of the several counties of the State, designate such public roads in the State as shall be classed as public highways and subject to improvement under the provisions of the Federal Road Act; and the Commission, in conjunction with the Board of County Commissioners, shall also formulate necessary rules and regulations for the construction, repair, maintenance, and marking of highways and bridges, and may provide for local supervision in such cases.
11. Determine from what funds claims shall be paid.
12. Provide for a system of accounting for each project.
13. Distribute each fiscal year funds available for construction and reconstruction to the 12 construction districts. (Commonly called "financial districts".)

    Here is a copy of the act governing such distribution. (See Inclosure #1.)
14. Let contracts for work on state highways.
15. Authorized to do all things necessary to carry out fully the cooperation contemplated upon the part of the State by the Federal Road Act.
16. Authorized and empowered to acquire highway right-of-way by purchase or otherwise, including powers of condemnation.
17. Authorized to improve design of all so-called forest highway signs and to cause such signs to be erected.
18. Directed to cause to be published an official road map of the State.

Bureau of Public Roads: The Bureau first came into being in 1905 as the Office of Public Roads, Department of Agriculture. It came to be known in the respective States about 1915 as a Bureau of Public Roads and Rural Engineering. About that time field offices were established in the West. Its name was changed to the Bureau of Public Roads during 1918. From its inception until 1930, the organization was a bureau of the Department of Agriculture. That year it was transferred from the Department of Agriculture to the Federal Work Agency under the title of Public Roads Administration. 1949 saw it again moved. Then it was shifted to the General Service Administration where it regained its old title The Bureau of Public Roads. However, within a few weeks it was transferred



STATE HIGHWAY DEPARTMENT
COMMISSIONER DISTRICT MAP OF
MONTANA

APPROVED

DATE _____

STATE HIGHWAY ENGINEER

5 COMMISSIONER DISTRICT NUMBER

REV. 10-19-49

Inclosure #1

Chapter 87 (Session Laws of Montana 1945)

An Act to Amend Sec. 2396.3 of the Revised Codes of Montana, 1935, As Amended by Chapter 102 of the Session Laws of Montana, 1937, As Amended by Chapter 213 of the Session Laws of Montana, 1939, As Amended by Chapter 175 of the Session Laws of Montana, 1943, Relating to the Method for the Determination and Distribution of the State Highway Fund for Construction purposes.

Be it enacted by the Legislative Assembly of the State of Montana:

Section 1. That Sec. 2396.3 of the Revised Codes of Montana, 1935, as amended by Chapter 102 of the Session Laws of Montana 1937, as amended by Chapter 213 of the Session Laws of Montana, 1939, as amended by Chapter 175 of the Session Laws of Montana 1943, be, and the same is hereby amended to read as follows:

"Sec. 2396.3. At the start of the fiscal year beginning July 1, 1937, and ending June 30, 1938, the state highway commission shall compute from its records the percentage of incompleted mileage, within each of said districts which each district respectively bears to the total incompleted mileage of said federal highway system within this state at that time, and for that fiscal year the state highway commission shall use the percentages so computed in allotting to each of said districts construction moneys from the state highway fund as defined and provided by section 2396.2. At the beginning of each fiscal year thereafter the same procedure shall be carried out, and the actual respective percentages of incompleted mileage in each district as so computed and determined the beginning of each fiscal year shall be used in allotting said moneys to said districts for that fiscal year. As a basis for the determination of the amount of incompleted mileage of said federal highway system in this state for each fiscal year, the state highway commission shall adopt as the criterion the current definition, as prescribed by the public roads administration, for a fully and adequately completed federal highway in this state. This criterion shall be considered as a 100% completed federal highway; and federal highway mileage which is only partially completed on a percentage basis, this to be determined from the relative estimated percentage costs of construction which must be performed to bring said mileage up to the standard of said criterion.

The state highway commission may vary the expenditures made in any district under the provisions of this act to the extent of 15% above the amount of money allocated to such district in any year, provided that the allocation of construction money to such district for the next succeeding fiscal year shall be decreased by an amount equal to such increased expenditure, and the amount so deducted shall be allocated to the other districts on the basis of the percentages established in the year that the increased expenditures are made."

again, this time without the disturbance of title, to the Department of Commerce, where it rests today. Despite these shifts from Department to Department, by virtue of its inherent strength developed over the years by top quality leadership, high grade personnel generally, the integrity of the Bureau's functioning continued on a high plane. Since its creation, the Bureau has been the administrative agency of the Federal Government in highway matters.

It has worked vary closely with State Highway Departments since the field offices were established.

The initiative in all highway matters resides in the State Highway Department. There the programs start and are developed. The Bureau, by virtue of its authority to approve or disprove State highway action in the development and maintenance of the Federal Aid System, is in position to require certain standards of highway location and design. The bureau holds this authority in order to secure a goodly measure of uniformity between States in the development of the Federal Aid System.

The Bureau may, and well within its responsibilities, differ with the Highway Department on proposals partaking of wide departures from commonly accepted engineering practices on highway matters. It may refuse to approve such departures on an all-out basis; however, it is the policy of the Bureau to test the merits of such departures on an experimental basis.

A Montana representative of the Bureau who reports to his regional Bureau superiors works with the Highway Department personnel of the Planning Survey Section. This activity is cooperatively financed under the terms of the Federal Aid Bill. However, the activity is a feature of the Highway Department's administration.

A Bureau representative sits in with the Commission in the opening of bids and is a party to the contract lettings and the approval of contracts. Bureau inspectors make monthly checks of all contract work under way on the Federal Aid System to determine whether the work of the contractors meets the specifications established for the job. Any deficiencies found are reported to the Highway Department for correction. Incidentally, the Bureau does not prepare specifications for construction and reconstruction work on the Federal Aid System. Those specifications are prepared by the State Highway Department within the general framework of specifications which the Association of State Highway Engineers have prepared for roads of different service classifications. Of course the Bureau representatives have the power to approve or disprove specifications and to suggest revisions.

A Bureau engineer makes current inspections of the Federal Aid System to determine satisfactory maintenance and the degree to which various sections of the Federal Aid System fall below the established over-all specifications. For instance, this inspector determines the degree to which, on a given section the subgrade or base is deficient to properly support a given volume of traffic; the degree to which the width of a particular section is deficient; the degree to which sight distances on a particular section are deficient; the degree in which the gradient of a particular section is excessive; the degree to which curvature on a section is excessive, the degree to which surface is deficient on a section. The findings of this inspector are reported to the State Highway Department. These findings supply the Planning Survey Section of the Department with the information from which it prepares its schedule of uncompleted mileage

within the respective construction districts and for the State as a whole, and from which the Highway Department select the projects to comprise its annual construction and reconstruction program.

Federal Aid Road Acts

July 11, 1916 the President signed the first Federal Aid Road Act. It and the succeeding acts of the intervening years have appropriated varying sums of money for distribution to the states to aid in building, but not maintaining highways.

7% System

An important amendment to preceding Federal Aid Road Acts was included in Section 6 of the act of 1921. That provision forms the basis for the present-day Federal Aid system of highways. It said in effect that before any projects are approved in any state such state through its State Highway Department shall designate a system of highways not to exceed 7 percent of the total mileage of such state as shown by the records of the State Highway Department at the time of the passage of the act. Upon this system all Federal Aid apportionment shall be expended.

The law also provided that the designation of the respective states was subject to the approval of the administrator of the Federal Aid Act, at that time the Secretary of Agriculture.

In actual practice the officials of the State Highway Departments and the Bureau of Public Roads representatives in the respective states cooperatively worked out the 7 percent system for the Secretary's approval. And in a like manner revisions of the system have been made from time to time.

Out of this requirement of the law grew what is commonly known as the "Seven Percent System," sometimes called the Primary System.

Since 1921 numerous changes and additions have been written into the various Federal Aid Bills and other Federal monies from time to time have supplemented the regular Federal Aid appropriations.

Federal Aid Secondary Road System

The 1934 Federal Aid Act, as amended by the so-called Hayden-Cartwright Act, extended Federal Aid to and included the Secondary or feeder road system. The law provides that roads to be included in the Secondary System be selected cooperatively by the State Highway Commission, local road officials (in Montana the County Commissioners) and the Bureau of Public Roads. The basis for designating routes for including in the system is defined in the law in general terms. These terms indicate that first consideration be given to conservation and development of natural resources, economic and social values with emphasis on land utilization, and that second consideration be given to the numerical traffic volume. The County Commissions select the projects fro financing during any given fiscal year.

Federal Aid, Urban System

The act of 1933 provided that with the approval of the Bureau of Public Roads, Federal Aid allocations to states could be used for building of those parts of the Federal Aid Primary System that were comprised of city streets. The act of 1944, in effect created a third Federal Aid system - the Federal Aid Urban highway System.

Under this act the State Highway Department may designate, with the approval of the Bureau of Public Roads, the boundaries of urban areas of 5,000 or more

population and then develop plans for the improvement of roads and streets in those areas which are specifically and materially related to general highway traffic.

Federal Aid Grade Crossing

Federal Aid funds for grade crossing elimination first were made available by an act of 1935. Subsequent acts have carried forward that item.

Manner of Apportionment

All Federal Aid funds are distributed among the states on the basis of formulae: Primary Highway formula gives equal weight to the relative land area of a state; the relative miles of rural road of a state (1922 figues); the relative population in a state - Montana's portion of annual appropriation under this formula since the 1940 census is 2.078665%.

Secondary Highway formula for apportioning secondary funds is the same except that the population factor is based solely upon rural dwellers. Montana's share of the secondary appropriations is 2.130119%. Federal Aid Urban Funds are distributed solely on the basis of urban dwellers in municipalities of 5,000 or more. Montana's share of the total under this formula is 0.252446% or about $\frac{1}{4}$ of one percent.

Grade Crossing Elimination funds, are a maximum of 10% of the total Federal aid apportioned to the respective state.

How the Federal Government Shares in Construction and Reconstruction Costs of the Federal Aid System

In Montana the Federal funds allocated to the state pay 57 percent of the cost of all Primary, Secondary and Urban construction and reconstruction, while the state pays 43 percent. In common terms the state, in order to receive the benefit of Federal Aid, must match Federal funds on a 43-57 basis.

Grade Crossing Funds require no matching as far as the state is concerned. This item is 100 percent contributed by the Federal Government.

Inter-State System

During the war there came into the Federal Aid Highway classification of most states, Montana included, certain routes designated as the Strategic Network. Since then, with certain revisions as to mileage, the above designation has been succeeded by the term Inter-State Highways. In Montana, U. S. Routes Nos. 10, 87, and 91 comprise this classification. This classification calls for a higher standard of construction specifications than other routes of the Primary system.

Montana now has these classifications of Federal Aid Highways:

	Miles	
Inter-state	1,250)	
Primary	4,509)	5,759
Secondary	6,822*)	6,822
Urban		

The Primary and Secondary mileage in each financial district by counties is shown in Table #1.

*Of this total proposed, 3,027.216 miles have been approved to date.

TABLE 1

MONTANA PRIMARY AND SECONDARY HIGHWAY MILEAGE
BY COUNTY AND FINANCIAL DISTRICT
AS OF DECEMBER 31, 1949

FINANCIAL DISTRICT NO. 1	PRIMARY MILEAGE	SECONDARY MILEAGE	TOTAL
Flathead	199.909	53.220	253.129
Lake	87.970	112.926	200.896
Lincoln	177.698	18.582	196.280
Total	465.577	184.728	650.305
FINANCIAL DISTRICT NO. 2			
Blaine	55.338	86.589	141.927
Glacier	166.712	19.724	186.436
Hill	81.336	97.741	179.077
Liberty	25.585	46.843	72.428
Toole	88.909	18.745	107.654
Total	417.880	269.642	687.522
FINANCIAL DISTRICT NO. 3			
Daniels	47.938	64.663	112.601
Phillips	119.704	70.763	190.467
roosevelt	150.286	91.831	242.117
Sheridan	78.302	42.527	120.829
Valley	101.629	84.961	186.590
Total	497.859	354.745	852.604
FINANCIAL DISTRICT NO. 4			
Dawson	104.198	51.982	156.180
McCone	143.009	25.163	168.172
Prairie	28.737	36.817	65.554
Richland	82.491	56.379	138.870
Wibaux	40.679	43.900	84.579
Total	399.114	214.241	613.355
FINANCIAL DISTRICT NO. 5			
Fergus	187.678	111.434	299.112
Garfield	135.957	23.900	159.857
Petroleum	40.124	23.049	63.173
Total	363.759	158.383	522.142
FINANCIAL DISTRICT NO. 6			
Cascade	217.626	112.738	330.364
Chouteau	72.051	80.474	152.525
Judith Basin	61.519	37.157	98.676
Pondera	53.042	73.067	126.109
Teton	92.226	85.801	178.027
Total	496.464	389.237	885.701

FINANCIAL DISTRICT NO. 7	PRIMARY MILEAGE	SECONDARY MILEAGE	TOTAL
Broadwater	81.832	24.601	106.433
Jefferson	108.008	60.499	168.507
Lewis and Clark	191.995	47.919	239.914
Total	381.835	133.019	514.854
FINANCIAL DISTRICT NO. 8			
Granite	94.985	20.279	115.264
Mineral	79.164	5.500	84.664
Missoula	124.548	111.539	236.087
Powell	92.913	47.272	140.185
Ravalli	103.200	46.677	149.877
Sanders	149.659	35.154	184.813
Total	644.469	266.421	910.890
FINANCIAL DISTRICT NO. 9			
Beaverhead	158.142	101.642	259.784
Deer Lodge	65.850	31.342	97.192
Madison	159.531	35.523	195.054
Silver Bow	74.015	19.772	93.787
Total	457.538	188.279	645.817
FINANCIAL DISTRICT NO. 10			
Gallatin	158.142	101.642	288.603
Meagher	103.524	50.081	153.605
Park	124.893	20.149	145.042
Sweet Grass	65.541	20.149	86.022
Wheatland	79.913	18.986	98.899
Total	519.044	253.127	772.171
FINANCIAL DISTRICT NO. 11			
Big Horn	142.775	95.190	237.965
Carbon	92.650	68.761	161.411
Golden Valley	29.125	32.503	61.628
Musselshell	102.503	14.651	117.154
Stillwater	38.615	48.586	87.201
Treasure	28.807	15.716	44.523
Yellowstone	140.182	85.167	225.349
Total	574.657	360.574	935.231
FINANCIAL DISTRICT NO. 12			
Carter	51.123	80.727	131.850
Custer	163.320	40.563	203.883
Fallon	86.558	36.015	122.573
Powder River	90.506	46.317	136.823
Rosebud	150.178	51.198	201.376
Total	541.685	254.820	796.505
STATE TOTAL	5,759.881	3,027.216	8,787.097

The big step forward in the improvement of Montana's Primary system started in the early thirties when the first oil was applied. Within a surprisingly few years the travelers over much of the mileage comprising the Primary system were out of the mud.

With that great advance in road surface conditions came an increased and overgrowing volume and weight of traffic. During the past ten to fifteen years this expanding traffic load has always been ahead of the financial ability of the state to keep highway load bearing and wearing characteristics abreast of requirements.

The following tables 2, 3, and 4 give information pertinent to that fact:

DISTRIBUTION BY SURFACE TYPE

As of December 31, 1949

TABLE 2

	Earth		Gravel		Oiled		Paved		Total	
	Mileage	%	Mileage	%	Mileage	%	Mileage	%	Mileage	%
mary	396	6.89	377.783	6.56	4917.155	85.37	68.137	1.18	5759.881	100.00
ondary	542	17.92	2059.654	68.04	418.323	13.82	6.621	0.22	3027.216	100.00

DEFICIENCY RATING OF PRIMARY SYSTEM

TABLE 3

Deficiency Category	Mileage	Percentage
50% to 100% Deficient	1,523	26.62
40% to 50% "	1,263	21.93
30% to 40% "	1,317	22.86
20% to 30% "	866	15.03
10% to 20% "	350	6.08
0% to 10% "	430	7.48
TOTAL	5,759	100.00%

AGE OF PRIMARY SYSTEM

TABLE 4

Year Built	Mileage	Percentage
1945 to 1949	1369.584	23.78
1940 to 1944	784.954	13.63
1935 to 1939	1741.842	30.24
1930 to 1934	1581.356	27.45
1925 to 1929	98.381	1.71
Before 1925	183.764	3.19
TOTAL	5759.881	100.00

It is to be noted that despite all expenditures during past years, some 48 percent of the mileage of the Primary system ranges from 40 to 50% deficient in comparison with needed standards. It is to be further noted that construction standards on which work has been done during the five-year period 1945 to 1949, taking the figures of Tables 3 and 4 at their face value, are failing measurably to meet those standards. During those years, according to line one of Table 4, 1369.58 miles or 23.75% of the total mileage of the Primary system, was improved. Yet the last two lines of Table 3 tell that only 780 miles of that system fall within a classification of 20% or less deficient.

These figures merely are another expression of the fact that highway breakdown and obsolescence is far outdistancing the rate of correction. Too much mileage in relation to the dollars available.

Forest Highways

The Forest Highway system of the state, totaling 2,329 miles, is another classification of material importance in the State Highway picture.

Roads of this system are those of primary importance to the state, counties, or communities within, adjoining or adjacent to the national forests.

Money appropriated by Congress for construction expenditure on the Forest Highway system is 100% dollars to the states. No matching required. Rights-of-way must be acquired by the state. Funds are allocated to the states on the basis of area and value of land owned by the Government within the National forests.

The designation of the Forest Highway system is a joint work of the State Highway Department, the Bureau of Public Roads and the Forest Service; the Secretary of Agriculture is the approving authority.

The Forest Highway system overlays in part the Inter-State Federal Aid System, the Primary and Secondary Federal Aid System and other rural roads; accordingly, they carry three classifications in Montana:

Class 1. All Forest Highways on the Federal Aid Primary System (635.8 miles).
Class 2. All Federal Highways on approved Secondary State Highways systems (296.6 miles).
Class 3. All Forest Highways not a part of the Primary or Secondary highway systems (257.1 miles).

The selection of projects for financing during any given fiscal year is the joint responsibility of the State Highway Department, the Bureau of Public Roads and the Forest Service, subject to the approval of the Secretaries of Agriculture and Commerce. The State Highway Department must approve all plans and cost estimates before construction work can begin.

The Bureau of Public Roads is usually the contracting agency and supervisor of construction of all Forest Highway projects; however, the State Highway Department, subject to the approval of the Bureau of Public Roads, may make and has made the location surveys and prepared the project plan for Forest Highway Projects.

To date $14,860,118 has been expended on the Forest Highway system from appropriations made by the Congress, about 88½% on projects overlaying the Primary system, and about 11½% on projects overlaying the Secondary system.

To the extent Forest Highway funds are expended for improving sections of Forest Highways overlaying the Primary and Secondary systems, just to that degree is the improvement of the Federal Aid system accelerated. This is an important item in those construction or financial districts in which the National forests are located, despite the fact that appropriations made by the Congress are pitifully small, as compared with estimated costs to complete the system and in comparison with the rate at which increased traffic outmodes forest highways constructed 10 to 20 years ago. Against total expenditures to date of $14,860,118, the estimated cost to complete the system is $44,449,400.

Other Federal Funds

Appropriations from time to time by the Congress for improvement of roads leading to the National Parks, crossing Indian Reservations and the Public Domain, have contributed to some extent in aiding the state to move nearer its goal in highway progress.

Operations of the Planning Survey Section of the State Highway Department

This section of the Highway Department as before stated is financed jointly from State and Federal funds. A representative of the Bureau of Public Roads works with the Highway Department personnel of this section. He checks their findings and passes on certain classes of items for the approval of the Bureau. The personnel of this section strive to produce objective results, scientifically worked out; however it is apparent that the findings of the section are too often modified and otherwise interfered with by powers officially superior to the technicians of the Department.

The Committee was particularly interested in the system used by the Section.

(1) To determine the value of a proposed road, for addition to or revision of the Federal Aid System.
(2) To determine the uncomplete mileage within the several construction districts.
(3) To determine the priority of financing that should be given sections of the Highway system.

Procedures used in determining the economic merits of proposed additions to, or revisions of, the Federal Aid System:

An economic analysis is made of each project whenever it is proposed that a new route be added to the Federal Aid System or a major revision of the existing systems is under way. These analyses consist of assembling all evidences pertaining to the estimated volume of traffic that would use a new route; the amount of revenue that would issue from that estimated traffic in form of gasoline and other taxes; the amount of savings that would accrue to the motoring public because of shorter traveled distances, improved roadway surface, higher standard of alignment, time saving, etc.; the annual amortized cost of constructing and current cost of maintaining the new route.

With all the economic factors concerning the proposed new route determined, tabulated, and appraised, they are consolidated into three major categories;

(1) Amount of revenue
(2) Amount of saving to motoring public.
(3) The annual amortized cost of constructing and current cost of maintaining the highway.

By comparing the revenue, savings and cost factors, the determination of the degree of financial solvency applying to the new route is established. From the standpoint of the motorist, the estimated revenue is compared with the estimated value of savings that the motorist would receive. In the event the revenue exceeds the savings that route would not be justified from the motorists' standpoint because they would be paying more than the value they would receive. On the other hand if the comparison of the motorists' savings with the total cost of the route shows that the costs exceed the savings, the new construction would not be a sound investment. By statistical process which is called the "Economic Composite Solvency Formula," all the factors bearing upon the question of justification of the proposed route are worked into a combination, the results of which indicate the over-all economic worth of the new highway.

But this is not all of the story. Other factors, which cannot be resolved in mathematical values, are recognized as bearing upon the justification of any proposed route. Access of the people along the route to medical service, recreational facilities, markets and shipping points, are all elements of value to permanent residents along the route and those who may be temporarily within the territory tapped by a proposed road. Such social factors as those enumerated are taken into consideration by the planners and have an influence in the determination as to whether a proposed route or a proposed revision of the system in any respect is justifiable. Since such factors are not definitely measurable they are susceptible to manipulation to build up justification for a project of low economic value. They open the gate to political influence in a system that ought by all means to be purely objective in its purpose.

The planners report that economic analyses usually reveal justification for proposed new highway construction from the standpoint of saving to the motorist, since the amount of the estimated saving is more than the amortized construction cost and the estimated annual maintenance cost. However, the difficulty in Montana is that current revenue always has been insufficient to provide enough funds to pay for all the new construction that, under the economic theory described above, is justified. This disparity between economic justification for given roads and the State's construction or reconstruction ability accounts for much of the State' highway financial problem. The state Highway system is overburden with mileage.

Distribution of fundsbetween the construction districts as required by law: See Map #2.

Financial Districts

Evidently the Legislative Body of 1927 was dissatisfied with the manner in which selection was made by the Highway Department for financing construction and reconstruction from funds that had been available in any previous fiscal year. At any rate, at that time the Legislature enacted the law, heretofore quoted, which established what are commonly termed the "financial districts," but which are designated in the original law as "construction districts," the pattern of which is shown on Map #1. The original Act during intervening years has undergone certain amendments.

Each construction district receives a share of the funds available for construction and reconstruction during a fiscal year based upon the relationship between the uncompleted miles of Federal Aid road within each district and the total uncompleted mileage within the State as a whole at the beginning of the fiscal year within which funds are to be used.

The uncompleted mileage is based upon information supplied the State Highway Department by the Bureau of Public Roads. An inspector of that Bureau spends practically all of his time appraising conditions on the various primary and secondary routes and in rating conditions of each route against established standards.

The Planning Survey Section of the State Highway Department, by use of a sound method, although somewhat too complicated for easy presentation and understanding except by those familiar with statistical procedures, works out the figures indicating the total uncompleted mileage in each district. The sum of the figures for the individual districts, of course, gives the total uncompleted mileage within the State as a whole. In this formula a bridge is treated as a half-mile of road.

Members of the Committee have investigated the validity of the system and its fairness as between districts. They also have done what they could, within the limitations of time and talent available for such scrutiny, to determine the integrity of the system's application. The Committee is satisfied from these investigations that the system and its application meet the requirements of the law which established the construction district basis of distributing construction and reconstruction funds.

The investigations of the Committee members, however, lead to the belief that to base the distribution of funds between the different districts on the relationship between estimated cost to complete the Federal Aid System in each district and in the State as a whole, would be somewhat more equitable. Placing the distribution on the basis of relative cost to complete the system, would give recognition to probable cost differentials between certain districts, or groups of districts; whereas, the system required by the present law, in effect assumes that each mile of road would cost the same everywhere.

Advantages & Disadvantages of District Law

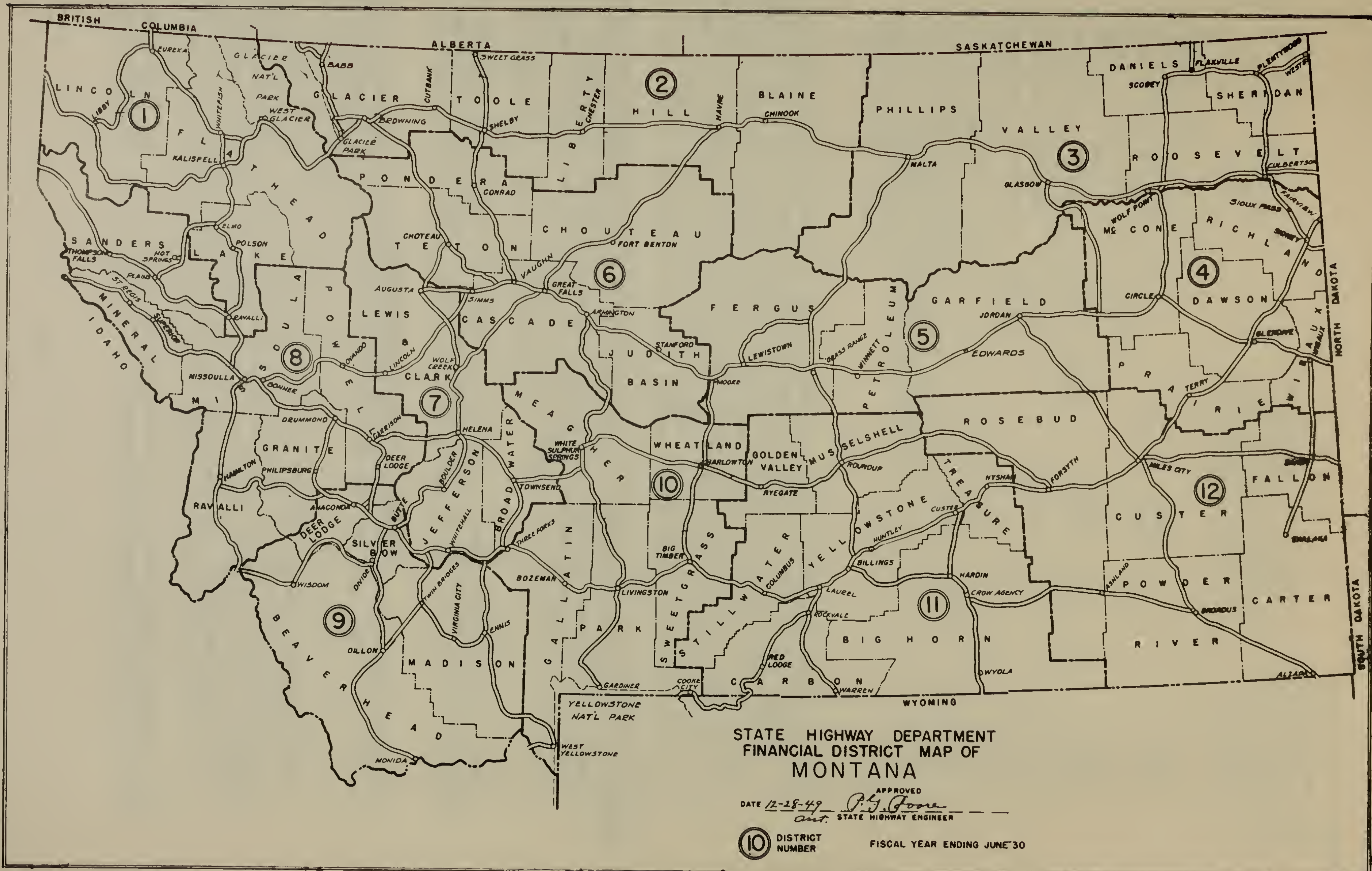
Many students of the highway problem in Montana believe that the requirements of the so-called Highway Construction District Law are more of a hindrance than a benefit for the reasons that; first, it causes the splitting up into relatively small parts the modest sum available for construction and reconstruction during any fiscal year, thus reducing the effectiveness of all the dollars included in the budget; it interferes seriously with the creditable objective of expending available funds on projects of highest priority, State wide service considered. Notwithstanding the rather broadside objections to this system, it has a lot of appeal to many. It has certain advantages, the chief of which is that of giving a measure of protection to smaller, less powerful sections of the State from being the possible victims of the influence of larger and more potent communities.

Past Fund Distribution Equitable Under Law

The belief is not at all uncommon throughout the State that unfairness has more or less characterized the distribution of funds between the 12 construction districts. As heretofore recorded, the Committee finds no evidence to support this belief. On the other hand, such evidence as has been surveyed shows quite conclusively, as above written, that the law's requirements have been well met. The following table supplies pertinent information in this regard:

RELATIONSHIP BETWEEN MILEAGE OF FEDERAL AID SYSTEM WITHIN THE RESPECTIVE CONSTRUCTION DISTRICTS AND TOTAL EXPENDITURE FOR CONSTRUCTION AND RECONSTRUCTION FROM 1913 TO NOVEMBER, 1949, INCLUSIVE

Construction District Number	Construction District Name	Percentage of Federal Aid Mileage, Primary & Secondary, within Each Construction District	Percentage of Total Expenditures for Construction and Reconstruction in Each Construction District
1.	Flathead, Lake, Lincoln	7.40	7.62
2.	Blain, Glacier, Hill, Liberty, Toole	7.82	8.25
3.	Daniels, Phillips, Roosevelt, Sheridan, Valley	9.70	7.42


STATE HIGHWAY DEPARTMENT
FINANCIAL DISTRICT MAP OF
MONTANA
APPROVED
DATE 12-28-49 P. G. Goore
Asst. STATE HIGHWAY ENGINEER
10 DISTRICT NUMBER
FISCAL YEAR ENDING JUNE 30
BRITISH COLUMBIA
ALBERTA
SASKATCHEWAN
NORTH DAKOTA
SOUTH DAKOTA
WYOMING
IDAHO
YELLOWSTONE NAT'L PARK
GLACIER NAT'L PARK
LINCOLN
FLATHEAD
SANDERS
LAKE
MINERAL
MISSOULA
POWELL
GRANITE
RAVALLI
DEER LODGE
SILVER BOW
BEAVERHEAD
MADISON
JEFFERSON
BROADWATER
LEWIS & CLARK
GLACIER
TOOLE
LIBERTY
PONDERA
TETON
CASCADE
CHOUTEAU
HILL
BLAINE
PHILLIPS
VALLEY
DANIELS
SHERIDAN
ROOSEVELT
MC CONE
RICHLAND
DAWSON
WIBAUX
PRAIRIE
FALLON
CARTER
CUSTER
POWDER RIVER
ROSEBUD
TREASURE
BIG HORN
YELLOWSTONE
CARBON
STILLWATER
SWEETGRASS
PARK
GALLATIN
MEAGHER
WHEATLAND
GOLDEN VALLEY
MUSSELSHELL
JUDITH BASIN
FERGUS
PETROLEUM
GARFIELD

Construction District Number	Construction District Name	Percentage of Federal Aid Mileage, Primary & Secondary, within Each Construction District	Percentage of Total Expenditures for Construction and Reconstruction in Each Construction District
4.	Dawson, McCone, Prairie, Richland, Wibaux	6.88	6.74
5.	Fergus, Garfield, Petroleum	5.94	5.11
6.	Cascade, Chouteau, Judith Basin, Pondera, Teton	10.37	8.80
7.	Broadwater, Jefferson, Lewis & Clark	5.86	6.57
8.	Granite, Mineral, Missoula Ravalli, Sanders	10.36	11.29
9.	Beaverhead, Deerlodge, Madison Silver Bow	7.35	8.79
10.	Gallatin, Meagher, Park Sweetgrass, Wheatland	8.79	11.43
11.	Big Horn, Carbon, Golden Valley, Musselshell, Stillwater, Treasure, Yellowstone	10. 64	10.02
12.	Carter, Custer, Fallon, Powder River, Rosebud	9.06	7.95

The relationship between the total mileage of the Federal Aid System in each construction district and the total expenditures for construction and reconstruction in each construction district generally is quite consistent between districts. This is despite the fact that funds spent in the several construction districts for underpasses and overpasses and on urban system improvements, while included in the expenditure figures on which the percentages shown in column 4 are based, are not apportioned to the districts under the provision of the Highway Construction District Law.

Selection of projects for financing during any fiscal period on the Primary System

The Planning Survey Section of the State Highway Department maintains an itemized list showing each officially designated section of every Federal Aid highway included in the State system. This tabulation for every section shows its current condition, and construction and reconstruction priority, or in other words, urgency of need of improvement.

The physical deficiencies or physical condition of each section of the roads on the list are established by data already referred to as currently submitted to the Highway Department by the Bureau of Public Roads.

Construction Priority Formula

The system of developing priorities is quite complicated. It seems important that an attempt be made in this report to try to give some idea of how it is developed and applied.

First, the various factors of deficiency of each section are intelligently weighed and rated. Then the volume of traffic it serves, if on a well-established route or as calculated on a prospective route, is combined with the physical factors by a statistical process which engages higher mathematics. The result is a composite index showing each section's relative position of deficiency as compared with all other sections contained in the list.

The process is not free of certain weaknesses and objectionable features. One is worth dwelling upon somewhat. The formula quite apparently proceed on the

assumption that funds will be available to complete the entire system within a reasonable period of time, while obviously this is not the case. Yet in applying the formula, no attempt is made to sort out those routes or sections which would be nice to have but which the State cannot now afford, and which, if financed now, will defer progress on those routes immediately vital to the maintenance and upbuilding of the economy of the State. This deficiency in the formula furnishes good support to organized minorities who push for financing of some pet project of a champagne taste type notwithstanding the State's ordinarily vin rouge-sized budget.

It is also apparent that the priorities as developed and revised from time to time to keep them up to date, are not master guides to those who are responsible for selecting the projects to make up the periodic reconstruction and construction programs.

No priority list can be followed slavishly. However, once a priority list is soundly established, then the burden of proof for departing from it ought to rest definitely upon the shoulders of the officials who are responsible to the people of the State for so directing the expenditure of funds where they will serve the greatest number of people and contribute most to the selfare of the State.

Based upon evidence submitted by individuals and organizations appearing before the Committee and from other sources, the Committee can but believe that too often other influences of doubtful merit sway decisions of the Commission. Such influences as demands of pressure groups, engineering ambitions, personal desires of minority representatives on the Highway Commissions, and interferences coming from the office of the different Governors, are chief among the influences. A large cross section of the public believes these influences are to commonly heeded by those who are responsible for the expenditure of construction and reconstruction funds, to return the largest service to the traveling public and to the general economy of the State.

It is quite apparent that a broad cross section of the electorate of the State has developed a high state of dissatisfaction with this sort of administration and have come to suspect, if not to believe, that such practice has been far more common than is actually the case. Much of this feeling has been fostered by the utter lack, on the part of the Highway Commission, of informing the public about the details of the financial situation with which the Commission is confronted from time to time, about pending programs and reasons therefor, and otherwise trying to cultivate public confidence by giving above-board current information to the public which the Commission is appointed to serve.

Any administration which does justice to the problem has for one of its major undertakings to awaken a realization on the part of the people of the State to the facts of the situation, jack up its courage and classify routes in respect to their service potential over the next ten or twenty years. Routes falling in the lower brackets obviously should be shelved for a long period, and while so placed should have no call upon construction or reconstruction funds until the mileage more critical and vital to the State's economy is improved to an acceptable standard. A part of this problem may be solved by transferring some of the mileage of the 7% system of doubtful qualification to the secondary system. If either or both of these courses are not followed, or if some other scheme is not applied to achieve similar shrinkage in current demands for the allocation of funds to the over-burdened

mileage of the 7% highways, such restricted funds will continue to be grievously diluted as to effectiveness. It is perfectly apparent that if such change in policy as is suggested herein is not made, more and more mileage from the 7% system will become worn to such a stage of depreciation that cost of maintenance, always steadily increasing, will all but exhaust the sum total of funds that otherwise would be available for construction.

Other possible ways out have been suggested but to the Committee they are impractical i.e., going beyond requirements of matching Federal Aid, in other words, the State augmenting the construction program, as a number of the States of larger population now do. There appears not to be sufficient volume of merit even to suggest such an idea.

A number of individuals and group representatives advanced the view that with business-like management of the Highway Department the justifiable activities could be financed from the proceeds of savings. In other words, a charge that the Department is grossly inefficient. In view of this rather widespread belief and certain obvious deficiencies in administrative structure of the Department, certain representations pertaining to the subject of wastes follow.

Waste potential is a part and parcel of the functioning of any organization, large or small; the larger the organization and the farther flung the area of operation, the larger the waste potential and the greater the actual. In public service of a governmental nature, any addition of political influence and activities of highly organized, potent minority groups which are within or skirting the political influence sphere expands materially the inherent waste potential. The degree of waste varies in an organization of the nature of the Highway Department depending upon such factors as the soundness of the basic enabling legislation under which it operates; soundness of the general over-all governing administrative structure within which the business of the organization is conducted; integrity, attitude, outlook, constructive aggressiveness, courage, and executive skills of, first the head of the organization and, second, of the submanagers. In case of the engineering phase of the Department degree of waste depends upon judgment and professional skills of that body; range of opportunity for leaks; conditions of employment; qualifications of manpower available for carrying on the daily work; the relationship between the actual needs and current funds; the extent to which the organization is forced to deviate from objective purpose to meet the demands of political objectives and the influence of small but influential pressure groups.

To minimize the waste potential in a Department such as the Highway Department, requires among other factors the following:

(1) Soundly conceived and comprehensive enablig legislation.
(2) Sound over-all governing administrative structure.
(3) Fully competent managerial leadership of highest integrity at the head of the organization and in subexecutive positions, unfearful of loss of job for doing always the thing of right in public interest.
(4) High grade professional skills in the technical force.
(5) Tight executive control implemented by adequate job specifications.
(6) Rigid inspections, prompt follow-up on inspection findings to eliminate or minimize discovered deficiencies or excesses or maladministration of any sort.
(7) Establishment of an exacting, but at the same time, agreeable working atmosphere.
(8) Elimination of political influence and the pressure of small but potent minority groups.

(9) Giving due recognition for good work and prompt weeding out of unfit.
(10) Full authority to act, vested in one man, on all administrative matters. Always operating under broad policies laid down by a Commission.
(11) Public support to the head of the Department in his effort to effect economies and to administer Department affairs efficiently, however sharply such practices may conflict with the personal aim of a few individuals or aggressive minority groups.

As earlier written, the Committee had neither the facilities nor time to survey the operations of the Highway Department to determine the degree of inefficiency of any of its sections or subsections. However, it becomes obvious to the Committee even after casual observations, that the costs of current wastes in highway maintenance and other activities of the Department, however large those costs may be, they are not so big as to be enough to match Federal Aid were all wastes eliminated, nor does it appear to the Committee that the saving would even approximate such a figure.

Justice would be absent in dealing with the problem of wastes as applied to the Highway Department if this report did not point out one of the most potent sources of waste. It resides in the absence of the merit system of making appointments and the upsetting of departmental leadership as the governorship of the State has changed from time to time. The head of an organization cannot be chopped off periodically for no apparent reason except political, without bleeding the entire organization of morale and weakening its will to serve. Such practice also discourages able, and promising young engineers and technicians to seek employment in the organization.

The cost of wastes arising from such practice is difficult to appraise yet it is none the less real and damaging to public interest.

In an endeavor to promote sounder administrative procedure and a sufficient financial program the Committee has devoted the ensuing sections of this report to those subjects.

PROPOSED ADMINISTRATIVE PROGRAM

After a careful study made by your Committee it is recommended that a major change be made in the administrative pattern of our Highway Department. We have held many hearings in Montana with organizations vitally interested in Montana and her highways, and have studied programs submitted to legislative bodies by neighboring states; they were all unanimous in their declarations that the administration of the Highway Department should be on a sound, business basis, so that the influence of special political and pressure groups will be removed from the consideration of the operations of the Department.

Montana's future highway program will require a heavy financial contribution from its citizens for many years to come. To receive the needed support of these taxpayers and voters in order to meet the tremendous task of constructing and maintaining the Montana highway system in the years ahead, all doubt as to the program and the policies of our future Highway Commissions must be removed. Only by confidence can we hope to accomplish the continuous tasks that lie ahead. Our small population, coupled with the hundreds of miles of highways that are needed to adequately serve our State, impose a financial restriction so there is little hope that we can reasonably reach a point at any time in the next fifteen years when we can say that our highway system is 75% complete.

SUGGESTED COMMISSION REORGANIZATION

COMMISSION

It is hereby recommended that our present 5-man Commission be replaced by a 12-man Commission, or Advisory Board, to be appointed by the Governor. The members of the Commission will be removed only after due hearing for proved malfeasance, nonfeasance, inefficiency, or neglect of office. One member shall be appointed from each of the present 12 Financial Districts. Each member, having fully demonstrated his interest in and knowledge of the highway system in his District, would be appointed to serve a term of eight years, however, at the institution of the new Commission, appointments would be made as follows:

Financial Districts 10, 5 and 3	two year term
Financial Districts 4, 2 and 8	four year term
Financial Districts 7, 6 and 12	six year term
Financial Districts 1, 11 and 9	eight year term

All succeeding appointments to be for an eight year term.

At its first meeting the Commission would organize by electing from its members a Chairman and a Secretary.

Commission Members would be reimbursed on a per diem basis of at least $15.00 per day plus traveling expenses for officially called meetings of the Commission.

PROGRAM

A comprehensive program of construction and reconstruction shall be determined by the Commission, and, with the exception of emergency operations, shall be made public at least six months in advance of the actual call for bids for construction or reconstruction. Each Financial District shall be advised annually as to the amount of fund allocated for construction and reconstruction in each District, as well as the projects on which it is proposed that the funds be spent. Under most past Commissions the first notice of new projects in a District was general a published call for bids.

The Commission shall study the suitability of current legislation in relationship to current requirements. If deficiences develop, the Commission shall formulate programs to present for the consideration of the Legislature. Such programs shall encompass all phases of the problems of keeping highway development abreast of ever-changing conditions.

The Commission in addition to supporting beneficial legislation, should be in a position to express opposition to proposed legislation which it is deemed would be detrimental to the best interests of the entire State.

ADMINISTRATOR

The Commission shall name and employ a full time Administrator, who shall be responsible only to them. The Administrator shall be a man of proven ability in the field of administration of large scale public works, and possessed of those qualities consistent with the duties he shall discharge. The Administrator shall have full authority to employ, direct, and discharge. The Administrator shall have full authority to employ, direct, and discharge all Highway Department personnel. The Highway Commission would have the only authority to employ and discharge the Administrator.

The Administrator would be paid a salary of at least $10,000.00 per year. He would necessarily be an executive of proven ability in matters of:

1) Organization and management of large scale operations similar to the Highway Department in responsibilities and scope.
2) Broad conception of public relations requirements of the position.
3) Personnel management.
4) Financial management.
5) Engineering fundamentals.

The Administrator shall have full responsibility of organizing the Department, employing and directing the personnel of the operating force, and supervising all phases of the activities of the Highway Department.

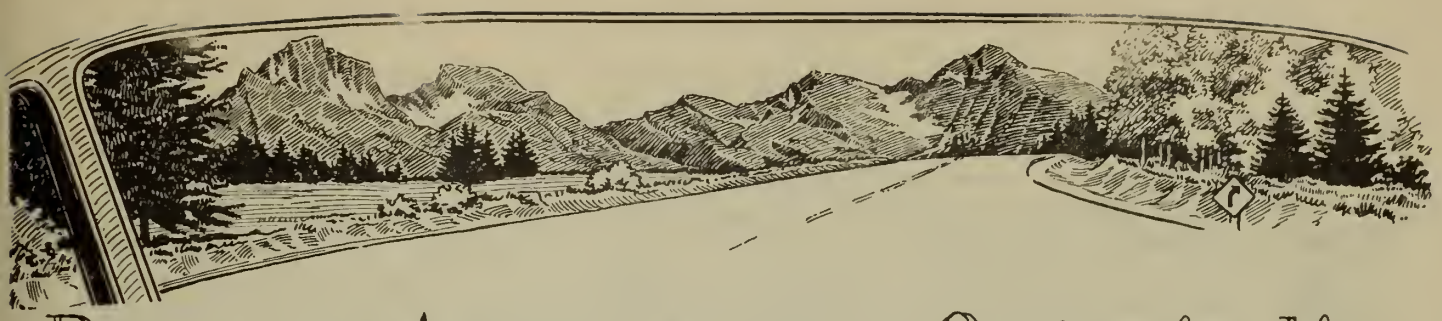
MERIT SYSTEM

It is also recommended that a survey be made of all personnel employed by the Highway Department, and that a suitable merit plan be inaugurated by the new Administrator which will justly compensate employees for long and faithful service to Montana citizens. Only through such a plan can the complete objectives of thorough efficiency in this most important state department be actually attained.

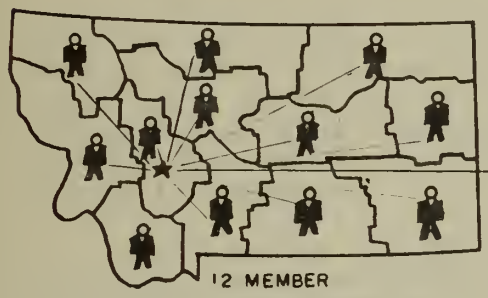
RESULTS EXPECTED

A well-rounded administration program would tend to result in the following achievements:

1) Improved Public Relations
   A. Give representation to each Financial District.
   B. Remove politics by the appointment of a bi-partisan Commission.
2) Improved Highway Program
   A. Capable Management.
   B. Instill confidence in all Highway personnel.
   C. Eliminate waste through the economics of a centralized authority.
   D. Provide for consistent, long-range program capable of flexibility.
3) Improved Finances
   A. Taxpayers will increase tax payments if assured of a well managed Department.
   B. Get more miles of highway per dollar spent.



Proposed Administrative Organization



12 MEMBER
STATE HIGHWAY COMMISSION

ADMINISTRATOR

FINANCE AND ACCOUNTING

PLANNING AND RESEARCH

PERSONNEL

PUBLIC RELATIONS

CHIEF COUNSEL

HIGHWAY PATROL

STATE HIGHWAY ENGINEER

COUNTY-CITY DEPT.

TRAFFIC

MAINTENANCE

SURVEY AND PLANS

MATERIALS

CONSTRUCTION

RIGHT OF WAY

DIVISION ENGINEERS

CONSTRUCTION

MAINTENANCE

MATERIALS

Drawing by Don Park,
Montana Highway Department

September, 1950

MEMORANDUM CONCERNING MONTANA HIGHWAY FINANCES

In September of 1949 when we were asked to make a study of highway finances in Montana, we asked Mr. C. E. Stahl, then Chief Engineer, to have his department prepare a summary of the needed improvements. We asked that they figure the various road costs necessary to bring our roads to reasonable standards comparable to roads in other parts of the Pacific Northwest. We asked that the secondary system be included so we would have reasonable secondary roads throughout the state to aid in the development of Montana and to give our citizens good transportation in all parts of the State since good roads result in a considerable saving in time and money to farmers who have to transport their produce over these various roads. We also asked that the urban system be included.

The figues as prepared by the Highway Department are shown on Table No. 5 and the total for all needs is shown as $340,140,000. (See Table #6 for deficiencies by Routes). If this program was to be completed in ten years it would require approximately $34,000,000 per year, which is considerably more than the people of Montana can afford to pay. It would also result in an annual program which would require the building of highways with 100 per cent State money, since the Federal Aid program would not provide for such a large expenditure per annum.

Our Committee did not feel that it would be advisable to recommend such a program, nor did we feel that it would be acceptable to the people to arrange a financial program by which Montana would exceed its Federal Aid. We decided that it would be inadvisable to do any further highway financing by the sale of bonds since this just defers the time when we will have to pay the loan, and it would add to the expense. Table No. 7 shows our present bonded indebtedness and the annual payments necessary to retire the present bonds. These bonds were sold so Montana would have money with which to meet its Federal Aid. However, you will note that for the next several years we will have to pay for the road construction program which is now in progress and we do not believe that it would be wise to repeat this in future years.

We also believe that if Montana does not arrange to meet the Federal Aid which is offered from year to year and is faced with the loss of a sizeable amount of Federal Aid sometime in the future, there will be a demand for the sale of bonds which will just be a repetition of what we have done in the past. Furthermore, we do not believe that it is wise for Montana to be continually behind in its road construction program when it could implement the program if the proper funds were raised in the State to meet Federal Aid as it becomes available. For example, Montana is now almost two years behind in its financial program to meet Federal Aid. Hence, we will not have the necessary funds to meet the Federal Aid. A new 1950 Act of Congress will make money available for the fixcal year of 1952 beginning July 1, 1951, but Montana will not be in a position to use this money until about December, 1952, or January, 1953.

OUR ROADS ARE WEARING OUT

The Primary System in Montana is estimated to be wearing out at the rate of 330 miles per year. At no time during the postwar years has it been feasible to reconstruct the system at a rate equal to this depreciation. A total of

STATE _____

TABLE NO. 5

SUMMARY OF NEEDED IMPROVEMENTS ON THE FEDERAL-AID HIGHWAY SYSTEMS,
AS OF DECEMBER 31, 1949

ITEM	FEDERAL-AID PRIMARY RURAL SYSTEM			FEDERAL-AID SECONDARY SYSTEM			FEDERAL-AID URBAN SYSTEM			ALL FEDERAL-AID SYSTEMS
	INTER-STATE SYSTEM	OTHER	TOTAL	ON STATE HIGHWAY SYSTEM	ON COUNTY OR LOCAL ROADS	TOTAL	INTER-STATE SYSTEM	OTHER	TOTAL	
1. WIDENING:										
MILES	39.7	88.0	127.7	92.0	——	92.0	10.0	6.0	16.0	235.7
VEHICLE - MILES PER DAY	60,942	39,864	100,806	17,885	——	17,885	49,130	25,878	75,008	193,699
COST OF NEEDED IMPROVEMENTS:										
CONSTRUCTION	596	1,320	1,916	644	——	644	500	300	800	3,360
RIGHT-OF-WAY	60	88	148	46	——	46	50	30	80	274
TOTAL	656	1,408	2,064	690	——	690	550	330	880	3,634
2. IMPROVEMENTS ON NEW ALINEMENT										
MILES	67.3	386.8	454.1	1568.8	3768.3	5337.1	27.9	4.0	31.9	5823.1
VEHICLE - MILES PER DAY	81,500	91,019	172,519	173,090	188,415	361,505	146,013	11,912	157,925	691,949
COST OF NEEDED IMPROVEMENTS:										
CONSTRUCTION	7,706	17,406	25,112	23,529	56,525	80,054	3,290	500	3,790	108,956
RIGHT-OF-WAY	198	580	778	1,569	3,808	5,377	3,190	400	3,590	9,745
TOTAL	7,904	17,986	25,890	25,098	60,333	85,431	6,480	900	7,380	118,701
3. RESURFACING AND RECONSTRUCTION ON EXISTING ALINEMENT										
MILES	873.0	3512.2	4385.2	299.7	——	299.7	27.0	8.0	35.0	4719.9
VEHICLE - MILES PER DAY	886,744	1,587,332	2,474,076	39,805	——	39,805	134,073	34,648	168,721	2,682,602
COST OF NEEDED IMPROVEMENTS:										
CONSTRUCTION	68,094	87,805	155,899	2,997	——	2,997	1,765	540	2,305	161,201
RIGHT-OF-WAY	1,310	3,512	4,822	150	——	150				4,972
TOTAL	69,404	91,317	160,721	3,147	——	3,147	1,765	540	2,305	166,173
4. BRIDGES										
NUMBER	287	802	1,089	93	180	273	20	3	23	1,385
COST	7,130	20,942	28,072	7,646	1,614	9,260	13,900	400	14,300	51,632
5. TOTAL -- ALL NEEDS										
MILES	980.0	3987.0	4967.0	1960.5	3768.3	5728.8	64.9	18.0	82.9	10778.7
VEHICLE - MILES PER DAY	1,029,186	1,718,215	2,747,401	230,780	188,415	419,195	329,216	72,438	401,654	3,568,250
COST OF NEEDED IMPROVEMENTS:										
CONSTRUCTION	83,526	127,473	210,999	34,816	58,139	92,955	19,455	1,740	21,195	325,149
RIGHT-OF-WAY	1,568	4,180	5,748	1,765	3,808	5,573	3,240	430	3,670	14,991
TOTAL	85,094	131,653	216,747	36,581	61,947	98,528	22,695	2,170	24,865	340,140

NOTE: COSTS REPORTED IN THOUSANDS OF DOLLARS

Montana Highway Department
Highway Planning Survey

ROUTE MILEAGE BY DEFICIENCY PERCENTAGE GROUPS

TABLE #6

RTE	0-10%	10.1-20%	20.1-30%	30.1-40%	40.1-50%	50.1-60	60.1-100%	Rte. Total
1	46.430	28.313	91.688	203.332	166.892	144.188	10.192	691.035
2	91.535	47.740	83.849	146.849	174.497	131.040	77.247	712.726
3	39.159	13.843	35.444	104.610	83.903	153.355	15.474	445.788
4	----	----	6.852	12.212	4.574	31.514	----	55.152
5	11.698	4.441	1.918	24.852	64.844	72.072	8.764	188.589
6	.604	----	15.200	32.023	40.846	28.364	----	117.037
7	.018	.473	3.457	56.585	20.265	13.475	----	94.273
8	3.125	12.243	5.319	28.932	37.822	20.285	----	107.726
9	----	----	13.969	----	27.521	16.030	----	67.520
10	6.224	5.785	10.469	15.706	26.975	44.634	2.270	112.063
11	5.628	4.959	23.480	34.963	42.746	83.812	28.327	223.915
12	----	----	8.732	----	1.044	----	----	9.776
13	----	----	59.282	22.616	24.321	.113	----	106.332
14	8.982	12.955	66.572	56.880	95.837	.594	17.550	259.370
15	20.176	23.764	69.335	32.717	112.756	73.274	35.862	367.884
16	10.680	26.910	21.208	9.762	30.634	121.247	86.553	306.994
17	6.191	----	7.308	10.119	15.015	34.813	----	73.446
18	.144	----	.195	1.047	14.565	67.698	----	83.649
19	10.211	.177	6.901	19.958	16.992	9.629	3.350	67.218
20	11.828	.519	23.997	4.403	12.842	11.962	----	65.551
21	15.404	24.934	.204	.213	20.325	49.824	----	110.904
22	----	.865	16.846	11.060	77.119	20.524	.056	126.470
23	2.739	8.795	9.558	.238	62.539	55.932	----	139.801
24	----	----	10.311	45.023	20.912	21.748	62.467	160.461
25	----	14.607	9.233	3.314	1.848	23.863	----	52.856
26	----	----	----	----	7.646	----	----	7.646
27	----	----	.766	55.971	4.538	7.410	12.209	80.894
28	.835	----	4.239	19.392	17.300	----	----	41.766
29	20.510	15.893	9.236	6.179	----	.077	13.824	65.719
30	----	----	10.149	14.064	----	----	----	24.213
31	----	----	----	----	13.806	----	----	13.806
32	----	----	----	12.237	39.070	----	----	51.307
33	9.262	.185	----	12.038	.426	20.850	21.158	63.919
35	----	----	----	5.560	----	7.064	41.998	54.622
36	----	----	6.612	19.677	17.400	5.118	----	48.807
37	----	----	----	----	----	----	104.217	104.217
38	----	----	4.384	----	2.864	1.876	----	9.124
39	----	----	----	----	----	14.281	----	14.281
40	----	----	1.397	.631	----	----	----	2.028
41	1.374	.909	4.421	----	----	----	----	6.704
42	.353	.074	17.560	----	.218	----	57.200	75.405
43.	.537	1.247	----	7.570	----	21.762	14.162	45.278
44	2.287	3.106	1.287	----	5.715	----	----	12.395
45	19.609	7.387	23.568	5.720	8.014	----	19.069	83.367
46	----	----	----	27.393	2.945	4.823	42.265	77.426
47	----	----	----	----	----	----	6.187	6.187
48	7.764	2.382	.037	.988	.468	----	18.863	30.502
49	----	6.451	10.751	----	----	----	10.321	27.523
50	----	.241	.500	8.014	16.677	36.039	----	61.471
Totals	353.307	269.198	696.234	1072.817	1344.721	1349.290	669.585	5755.152
Percent	6.14%	4.68%	12.10%	18.64%	23.36%	23.44%	11.64%	100%

TABLE NO. 7

STATEMENT OF FUTURE DEBT SERVICE REQUIREMENTS

ON STATE HIGHWAY DEBENTURE ISSUES

Bond Issue	ANNUAL SINKING FUND PAYMENT									
	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959
No. 387-18 Amount - $1,500,000.00 From 6-15-46 to 6-15-56 1% Interest Rate	165,000	165,000	165,000	165,000	165,000	165,000	75,625			
No. 387-B-1 Amount - $2,000,000.00 From 4-1-48 to 4-1-58 2.0% Interest Rate	240,000	240,000	240,000	240,000	240,000	240,000	240,000	240,000	60,000	
No. 387-C-4 Amount - $3,000,000.00 From 7-15-48 to 7-15-58 1.9% Interest Rate	357,000	357,000	357,000	357,000	357,000	357,000	357,000	357,000	193,375	
No. 387-D-24 Amount - $5,500,000.00 From 3-15-49 to 3-15-59 2.0% Interest Rate	660,000	660,000	660,000	660,000	660,000	660,000	660,000	660,000	660,000	137,499
TOTAL	1,422,000	1,422,000	1,422,000	1,422,000	1,422,000	1,422,000	1,332,625	1,257,000	913,375	137,499

270 miles of roadway were let to contract during 1949 at a cost of $7,148,000.00. This gap between rate of replacement and rate of failure will become progressively greater in future years at the present rate of income. The borrowed money, which financed a large portion of the construction during 1949 and earlier postway years, has now been expended and future construction must rely on current revenue.

It is estimated that there will be approximately $3,000,000.00 in State funds available for construction during 1951 after maintenance and other fixed expenses have been deducted. Assuming that this amount will be prorated to the Primary and Secondary Systems on the same basis as Federal aid allocations, approximately $1,800,000.00 will be available for use on the Primary System. Matching this amount with Federal aid should provide a total construction program of about $4,200,000.00 which should finance the construction of about 140 miles of new road. On this basis the rate of reconstruction will be less than half the rate of road failure.

$43,000,000 Program Possible

According to figures received from the Bureau of Public Roads concerning the status of the Federal Aid Program as of May 31, 1950, Montana had an unprogramed balance of $5,826,000. There was also $9,587,000 in Federal funds which were programed and $1,789,000 in Federal funds had been planned but no construction had been started. In other words, $17,202,000 in Federal funds were available to Montana as of May 31, 1950 but no construction was under way involving these funds because of our shortage of matching funds. If we had had the necessary matching funds a program of approximately $30,000,000 could have been under way in addition to what was actually under construction. As of that date Montana had under construction projects amounting to $13,243,000 instead of approximately $43,000,000.

HIGHWAYS BENEFIT EVERYONE

Everyone benefits from good highways because of their attractions for tourists who bring us one of the largest cash returns enjoyed by the State; they increase the value of the property even though it is not immediately adjacent to a highway, and they increase the value of the products of farm, mine, and forest, by making them more accessible to market and less expensive to haul. Studies by Cornell University in New York found that farms located on hard-surfaced roads were valued 19 percent higher than those on dirt roads.* Another of their studies based upon farmer's opinions indicated that a gravel road increased the value of such farms by 48 percent.**

A long-famous remark by Commissioner MacDonald says that, "We pay for good roads whether we have them or not, and we pay more for them if we don't have them than if we do." Careful studies have shown that vehicles that can be operated for 3.8 cents per mile on paved roads or 4.5 cents on gravel roads

*(A. B. Lewis, "An Economic Study of Land Utilization in Tompkins Court, New York," Cornell University Bulletin No. 590, April, 1934, P. 45).
**(W. M. Curtiss, "Use and Value of Highways in Rural New York," Cornell University Bulletin No. 656, August, 1936, pp. 23-25.)

cost 7.8 cents to operate on earth roads. Obviously it takes only a very small daily traffic volume to justify economically the cost of an improvement.

The farmer whose mud road is replaced by a good gravel surface often does not realize any actual saving. Instead, driving becomes so much easier and more pleasant that he drives much more and spends even more than before the improvement. Life does not become cheaper, it becomes better. His children go to school, the doctor or nurse can come if needed, the family can attend Church, meetings or basketball games. These benefits are not measured in cents per mile.

Our highways may be considered similar to other utilities which our people use in their daily lives. The average light bill in Montana per family per year is $52.53. The average telephone bill is $27.72. If this family owns a light or medium size tudor sedan their gasoline tax, except for temporary use taxes the only revenue for the highway fund, for one year will be $34.56. If their automobile is a fordor sedan the tax will be $43.44. Table No. 8. An automobile is essential for living in America and people, no doubt, consider it as necessary to their livelihood as lights and telephones. It is also surprising to find that if we consider the average family to be 3½ people, the average family spends $97.24 per year for liquor through the Montana liquor stores.

While the owner of a medium sized car pays approximately 8¢ per mile to own and operate it, only about one-half cent goes to build the roads, maintain them, plow the snow, paint traffic lines, erect warning signs, etc.

Table No. 9 shows the distribution of traffic on our road system and you will note that the use of the system is divided almost equally between rural and urban residents. On the primary system foreign residents or tourists account for 13.3% of the traffic and rural citizens account for 18.6%. The secondary system is primarily for the benefit of rural residents as only 25% of this traffic is accounted for by urban residents.

Highway department funds are spent on the primary and secondary systems which totals 8,787 miles as shown by Table No. 10.

Table No. 10 also shows the primary and secondary mileage by counties and financial districts.

ASSIGNMENT OF FINANCIAL RESPONSIBILITY TO HIGHWAY BENEFICIARIES*

The assignment of financial responsibility for highways is fundamentally a problem of determining who benefits from such highways and apportioning costs accordingly. Determination of the method of assigning this responsibility must be in the light of practical, financial, administrative and public interest factors.

> Practical solution of this problem is complicated by the fact that: the modern road plant is a multiple-purpose facility, producing services that are distributed unevenly throughout society. All classes of roads serve in one degree or another to give access to

* California Joint Fact-Finding Committee on Highways

ROAD USER AND PERSONAL PROPERTY TAXES ON SELECTED VEHICLES*

TABLE NO. 8

	Registation Fee	Property Tax	Carrier Taxes And Fees	Gasoline Tax	Total	Total Fees & Taxes	Total Excluding Property Tax
			Medium Light 2-door sedan				
MONT.	13.00	25.80		34.56	73.36	7	14
AV.	10.76	24.07		29.33	55.10		
			Medium 4-door sedan				
MONT.	13.00	37.04		43.44	93.48	9	17
AV.	13.82	34.36		36.96	72.11		
			Pickup, 4,700 G. V. W.				
MONT.	10.00	12.43	Farm	23.22	45.65	18	25
AV.	12.33	14.76		19.71	41.23		
			Private				
MONT.	10.00	25.80		36.00	71.80	8	23
AV.	15.48	21.10		30.55	59.52		
			Truck, 12,500 G. V. W.				
MONT.	20.00	14.92	Farm	33.00	67.92	25	27
AV.	28.30	19.78		28.01	68.52		
			Private				
MONT.	20.00	31.10		80.00	131.10	22	31
AV.	44.28	27.55		67.89	132.26		
			Contract for hire				
MONT.	20.00	31.10	45.00	133.33	229.43	18	23
AV.	50.40	27.55	49.20	113.15	216.91		
			Truck Van, 18,500 G.V.W.				
MONT.	75.00	79.38	Private	138.42	292.80	13	22
AV.	81.95	68.32		117.47	251.53		
			Contract for hire				
MONT.	75.00	79.38	60.00	230.76	445.14	17	22
Av.	92.92	68.32	78.28	195.83	388.59		
			Tractor Semi-Trailer				
			40,000 lbs. G.V.W. Private				
MONT.	245.00	97.91		420.00	76.91	16	16
AV.	201.61	121.65		356.43	657.70		
			Contract for hire				
MONT.	245.00	97.91	110.00	540.00	992.91	19	19
AV.	221.54	121.65	201.45	458.27	903.76		
			Tractor-semi trailer				
			64,000 lbs. G.V.W. Contract				
			for hire tractor-truck				
MONT.	300.00	198.46	210.00	1,500.00	2,208.46		
			Combination				
MONT.	600.00	264.62	210.00	1,500.00	2,574.62	11	11
AV.	417.54	289.54	615.59	1,322.92	2,400.40		
			Semi-trailer				
MONT.	300.00	66.16					
AV.							

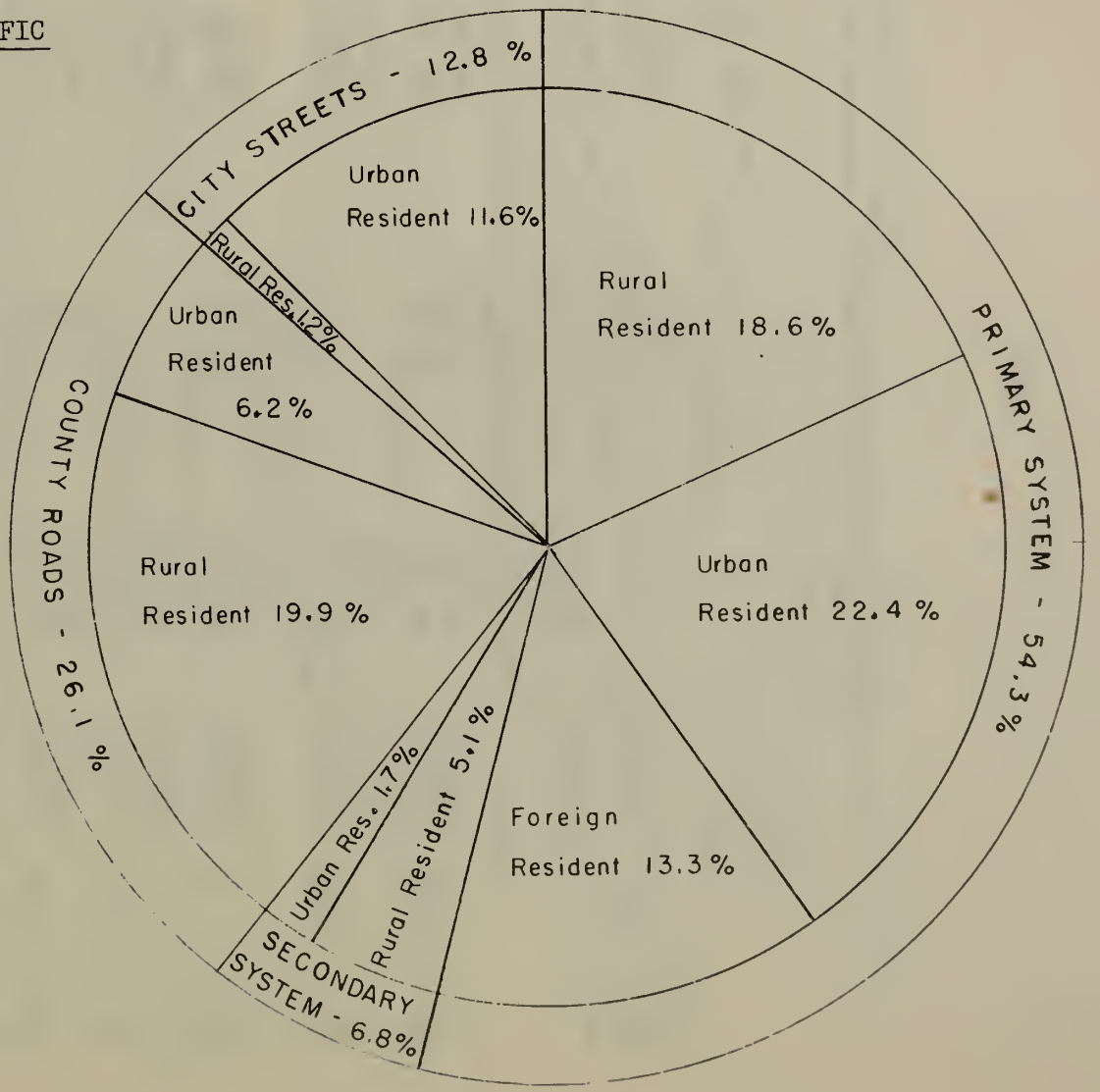
*A report to the Governors Conference on Highway Safety and Motor Truck Regulation (1950).

TABLE NO. 9

DISTRIBUTION OF TRAFFIC BY ROAD SYSTEM

By Type of Ownership

	PERCENTAGE OF TRAFFIC
PRIMARY SYSTEM	
Rural Resident	18.6
Urban Resident	22.4
Foreign Resident	13.3
Sub-Total	54.3
SECONDARY SYSTEM	
Rural Resident	5.1
Urban Resident	1.7
Sub-Total	6.8
COUNTY ROADS	
Rural Resident	19.9
Urban Resident	6.2
Sub-Total	26.1
CITY STREETS	
Rural Resident	1.2
Urban Resident	11.6
Sub-Total	12.8
ALL SYSTEMS-MONTANA RESIDENTS	
Rural Resident	52.0
Urban Resident	48.0
Total	100.0



MONTANA PRIMARY AND SECONDARY HIGHWAY MILEAGE
BY COUNTY AND FINANCIAL DISTRICT
AS OF DECEMBER 31, 1949

TABLE NO. 10

FINANCIAL DISTRICT NO. 1	PRIMARY MILEAGE	SECONDARY MILEAGE	TOTAL
Flathead	199.909	53.220	253.129
Lake	87.970	112.926	200.896
Lincoln	177.698	18.582	196.280
Total	465.577	184.728	650.280
FINANCIAL DISTRICT NO. 2			
Blaine	55.338	85.589	141.927
Glacier	166.712	19.724	186.436
Hill	81.336	97.741	179.077
Liberty	25.585	46.843	72.428
Toole	88.909	18.745	107.654
Total	417.880	269.642	687.522
FINANCIAL DISTRICT NO. 3			
Daniels	47.938	64.663	112.601
Phillips	119.704	70.763	190.467
Roosevelt	150.286	91.831	242.117
Sheridan	78.302	42.527	120.829
Valley	101.629	84.961	186.590
Total	497.859	354.745	852.604
FINANCIAL DISTRICT NO. 4			
Dawson	104.198	51.982	156.180
McCone	143.009	25.163	168.172
Prairie	28.737	36.817	65.554
Richland	82.491	56.379	138.870
Wibaux	40.679	43.900	84.579
Total	399.114	214.241	613.355
FINANCIAL DISTRICT NO. 5			
Fergus	187.678	111.434	299.112
Garfield	135.957	23.900	159.857
Petroleum	40.124	23.049	63.173
Total	363.759	158.383	522.142
FINANCIAL DISTRICT NO. 6			
Cascade	217.626	112.738	330.364
Chouteau	72.051	80.474	152.525
Judith Basin	61.519	37.157	98.676
Pondera	53.042	73.067	126.109
Teton	92.226	85.801	178.027
Total	496.464	389.237	885.701

land and dwellings; to facilitate the movement of good and people primarily associated with community life; to supply the avenues of optimum intercommunity mobility; and, finally, to expedite the administration of various essential functions of government. Thus it follows that individuals and groups of society benefit in widely varying degrees from the values produced by the several parts of the road plant."

An observation of the two extremes of the road plant and the major purpose each serves will clarify the concept of the problem. There is an extensive mileage of comparatively lightly traveled roads and streets whose predominant purpose is to provide access to land and dwellings, and in distinct contrast there is a limited mileage of inter-community state highways designed to carry the bulk of motor vehicle traffic. Between these two classes of highway there is a network of highways connecting smaller communities and feeding traffic from land access roads to the state highway systerm, which network serves a multitude of purposes.

To determine who benefits from the various types of road it is necessary to analyze the three major beneficiaries:

1. Owners of land and property;
2. The highway users;
3. The public and government.

Benefit Analysis

1. Benefits to Owners of Land and Property

Owners of land and property receive the very basic benefit of access to their lands, dwellings and other property.

Obviously, until flying becomes commonplace, it is essential that a man have the right of passage by land, for without it his property would have limited use or value.

2. Benefits to Highway Users

Some benefits accrue to highway users as a group from the use of all roads, including even the little-traveled and often unimproved access roads, but as previously indicated most of the benefits accrue to them on the limited mileage of inter-community state highways and urban arterials designed to carry the bulk of the traffic. Highway users are benefited by improvements which increase speed, mobility and convenience of travel; ensure cheapness of transportation; and increase safety. Since the motorist's time is limited, speed and mobility will determine to a considerable degree the length and frequency of the trips he takes. The reduction of congestion and other restrictions to a smooth, free flow of traffic reduces motoring fatigue and other unpleasantness. Convenience and aesthetic factors which make travel enjoyable enrich life generally. The lower the cost of transportation, the larger the number of people who can afford it and the greater the use each person can make of it. Of definite benefit is the assurance that both persons and freight will arrive at their destinations safely.

3. Benefits to Government and the General Public.

The public generally benefits from the roads which local, State and Federal Governments provide for their protection, use and enjoyment. Strategic highways facilitate movements of troops and military supplies in times of war and such movements as may be necessary for the prevention of internal disorder

PAGE 2 of TABLE NO. 10 FINANCIAL DISTRICT NO. 7	PRIMARY MILEAGE	SECONDARY MILEAGE	TOTAL
Broadwater	81.832	24.601	106.433
Jefferson	108.008	60.499	168.507
Lewis and Clark	191.995	47.919	239.914
Total	381.835	133.019	514.854
FINANCIAL DISTRICT NO. 8			
Granite	94.985	20.279	115.264
Mineral	79.164	5.500	84.664
Missoula	124.548	111.539	236.087
Powell	92.913	47.272	140.185
Ravalli	103.200	46.677	149.877
Sanders	149.659	35.154	184.813
Total	644.469	266.421	910.890
FINANCIAL DISTRICT NO. 9			
Beaverhead	158.142	101.642	259.784
Deer Lodge	65.850	31.342	97.192
Madison	159.531	35.523	195.054
Silver Bow	74.015	19.772	93.787
Total	457.538	188.279	645.817
FINANCIAL DISTRICT NO. 10			
Gallatin	158.142	101.642	288.603
Meagher	103.524	50.081	153.605
Park	124.893	20.149	145.042
Sweet Grass	65.541	20.149	86.022
Wheatland	79.913	18.986	98.899
Total	519.044	253.127	772.171
FINANCIAL DISTRICT NO. 11			
Big Horn	142.775	95.190	237.965
Carbon	92.650	68.761	161.411
Golden Valley	29.125	32.503	61.638
Musselshell	102.503	14.651	117.154
Stillwater	38.615	48.586	87.201
Treasure	28.807	15.716	44.523
Yellowstone	140.182	85.167	225.349
Total	574.657	360.574	935.231
FINANCIAL DISTRICT NO. 12			
Carter	51.123	80.727	131.850
Custer	163.320	40.563	203.883
Fallon	86.558	36.015	122.573
Powder River	90.506	46.317	136.823
Rosebud	150.178	51.198	201.376
Total	541.685	254.820	796.505
STATE TOTAL APPROVED ON SYSTEM	5,759.881	3,027.216	8,787.097

Total secondary 6822 miles which is 10% of total rural mileage, includes roads down to 25 vehicles per day.

and civil insurrection. National, state and community systems of highways make it possible for the different levels of government to bring to each citizen the benefits of policing, fire protection, communication, commerce and trade, postal service, education and recreation.

While everyone benefits from our highways, Table No. 7 shows that total taxes for a representative group of vehicles in Montana is about average for the country as a whole and except for passenger cars is well below the top. No one in Montana is being hurt.

Federal Aid

It might be well to state that Federal Aid to highways does not cost the Federal Government anything that is not returned by the transportation industry. In fact, the Federal Government collected $1,285,757,000 from the transportation industry in the form of gasoline tax, excise tax on motor vehicles, parts, and tires during 1949* (See Table No. 11); whereas, they only returned to the states in the form of Federal Aid, $450,000,000, of which Montana received 1.52 plus per cent. You will readily see that the Federal Government collects approximately three times as much as it returns to the states and the balance is used for other Federal Government expenses. Table No. 11 shows the estimated amount of automotive excise taxes which Montana will contribute to the Federal Government for 1949 will be $7,325,323, whereas Montana will receive about $7,100,000 Federal Aid. Facts concerning Federal excise tax collections are given here only as a matter of information since there is no connection between Federal excise tax collections and Federal Aid to highways.

The Federal Government increased its gasoline tax from one cent to one and one-half cents in 1942, as an emergency measure. At the same time they doubled the excise tax on motor vehicles, parts, tires, and lubricating oil. Despite the fact that the war ended five years ago these emergency taxes have not been reduced. All of the rates have remained at their war time level.

Montana receives 57¢ for every 43¢ the State contributes for construction and reconstruction. Therefore, it does not seem advisable to forego Federal Aid especially when we pay more into the Federal Treasury than we receive in Federal Aid. (See Table No. 12)

Failure to Match Federal Aid

If we fail to match the proposed Federal Aid there will be no construction on the Secondary System in 1951, and very little on the Primary System beginning in 1952. There will be no construction of any kind beginning in 1955. See Table No. 13.

Amount Necessary

In order to decide on the approximate figure that Montana would need to meet its Federal Aid, we selected what seemed to be the most likely program to

* For Fiscal year ending June 30, 1950, the total was $1,420,564,980 an all time record and a gain of 7.1 over the previous Fiscal year.(Highway Highlights 9/50)

TABLE NO. 11

FEDERAL AUTOMOTIVE EXCISE TAXES
ESTIMATED PAYMENTS BY HIGHWAY USERS (PRELIMINARY)
CALENDAR YEAR 1949 (Federal Purchese Excluded)

State	Gasoline	Lubricating Oil	Automobiles	Trucks	Tires & Tubes	Parts & Accessories	Totals
Alabama	7,189,344	599,112	5,349,918	2,538,314	2,291,397	1,539,883	19,507,969
Arizona	2,848,608	237,384	1,901,211	676,884	907,912	610,142	7,182,141
Arkansas	4,792,896	399,408	3,094,994	2,572,159	1,527,598	1,026,589	13,413,644
California	41,146,560	3,428,880	35,592,431	6,452,961	13,114,283	8,813,168	108,548,283
Colorado	4,295,520	357,960	3,890,850	1,477,863	1,369,073	920,056	12,311,322
Connecticut	6,104,160	508,680	6,057,345	846,105	1,945,525	1,307,448	16,769,263
Delaware	1,175,616	97,968	1,326,426	338,442	374,694	251,805	3,564,951
D. Of C.	2,532,096	211,008	2,697,066	349,724	807,033	542,349	7,139,276
Florida	10,444,896	870,408	7,693,271	2,232,968	3,329,010	2,237,189	26,898,742
Georgia	9,495,360	791,280	7,383,771	3,203,918	3,026,373	2,033,808	25,934,510
Idaho	2,170,368	180,864	2,122,282	947,638	691,742	464,870	6,577,764
Illinois	25,592,256	2,132,688	31,524,724	6,001,705	8,156,796	5,481,597	78,889,766
Indiana	13,836,096	1,153,008	13,617,973	3,057,260	4,409,858	2,963,549	39,037,744
Iowa	9,811,872	817,656	9,329,196	3,023,415	3,127,252	2,101,602	28,210,993
Kansas	6,827,616	568,968	6,853,201	2,606,003	2,176,106	1,462,405	20,494,299
Kentucky	7,053,696	587,808	5,615,203	2,481,908	2,248,163	1,510,829	19,497,607
Louisiana	6,511,104	542,592	5,968,917	2,188,592	2,075,227	1,394,611	18,681,043
Maine	2,577,312	214,776	2,122,282	710,728	821,444	552,034	6,998,576
Maryland	6,058,944	504,912	6,411,059	1,161,984	1,931,114	1,297,763	17,365,776
Mass.	11,575,296	964,608	12,203,119	1,489,145	3,689,293	2,479,309	32,400,770
Michigan	21,025,440	1,752,120	29,358,229	4,128,992	6,701,254	4,503,432	67,469,467
Minnesota	9,857,088	821,424	9,815,552	2,639,848	3,141,663	2,111,286	28,386,861
Mississippi	5,380,704	448,392	3,669,779	2,188,592	1,714,945	1,152,491	14,554,903
Missouri	13,112,640	1,092,720	11,982,048	3,745,425	4,179,277	2,808,592	36,920,702
Montana	2,486,880	207,240	2,166,496	1,139,421	792,622	532,664	7,325,323
Nebraska	5,064,192	422,016	4,686,705	1,996,808	1,614,066	1,084,698	14,868,485
Nevada	859,104	71,592	618,999	214,347	273,815	184,011	2,221,868
New Hamp.	1,537,344	128,112	1,370,640	372,286	489,984	329,283	4,227,649
New Jersey	14,243,040	1,186,920	15,165,471	2,718,817	4,539,559	3,050,712	40,904,519
New Mexico	2,532,096	211,008	1,591,711	868,668	807,033	542,349	6,552,865
New York	30,249,504	2,520,792	37,979,998	5,606,856	9,641,160	6,479,131	92,477,441
N. Carolina	10,851,840	904,320	8,533,341	3,226,480	3,458,712	2,324,352	29,299,045
N. Dakota	1,492,128	124,344	2,078,067	1,139,421	475,573	319,598	4,629,131
Chio.	26,134,848	2,177,904	27,678,089	4,681,781	8,329,731	5,597,814	74,600,167
Oklahoma	6,918,048	576,504	6,013,131	2,775,224	2,204,929	1,481,774	19,969,610
Oregon	5,832,864	486,072	5,040,419	1,511,708	1,859,058	1,249,339	15,979,460
Penna.	28,621,728	2,385,144	30,728,869	5,426,353	9,122,353	6,130,478	82,414,925
Rhode Island	2,079,936	173,328	2,254,924	406,130	662,920	445,501	6,022,739
S. Caroline	5,697,216	474,768	4,156,135	1,421,456	1,815,824	1,220,285	14,785,684
S. Dakota	1,808,640	150,720	2,033,853	947,638	576,452	387,392	5,904,695
Tennessee	8,003,232	666,936	7,206,915	3,124,948	2,550,800	1,715,210	23,267,041
Texas	28,576,512	2,381,376	22,283,957	8,404,643	9,107,942	6,120,793	76,875,223
Utah	2,486,880	207,240	1,945,425	676,884	792,622	532,664	6,641,715
Vermont	1,220,832	101,736	1,237,998	406,130	389,105	261,490	3,617,291
Virginia	9,359,712	779,976	9,506,053	2,538,315	2,983,139	2,004,754	27,171,949
Washington	7,912,800	659,400	6,808,987	1,647,084	2,521,977	1,694,840	21,245,088
W. Virginia	4,838,112	403,176	3,316,065	1,229,673	1,542,009	1,036,274	12,365,309
Wisconsin	10,354,464	862,872	11,053,550	2,651,129	3,300,188	2,217,819	30,440,022
Wyoming	1,582,560	131,880	1,105,355	530,226	504,395	338,968	4,193,384
TOTALS	452,160,000	37,680,000	442,142,000	112,814,000	144,113,000	96,648,000	1,285,757,00

TABLE NO. 12

DIVISION OF FEDERAL AID

National

Primary	45%
Secondary	30%
Urban	25%

Montana

Primary	57%
Secondary	39%
Urban	4%

Federal Aid is apportioned among the States as follows:

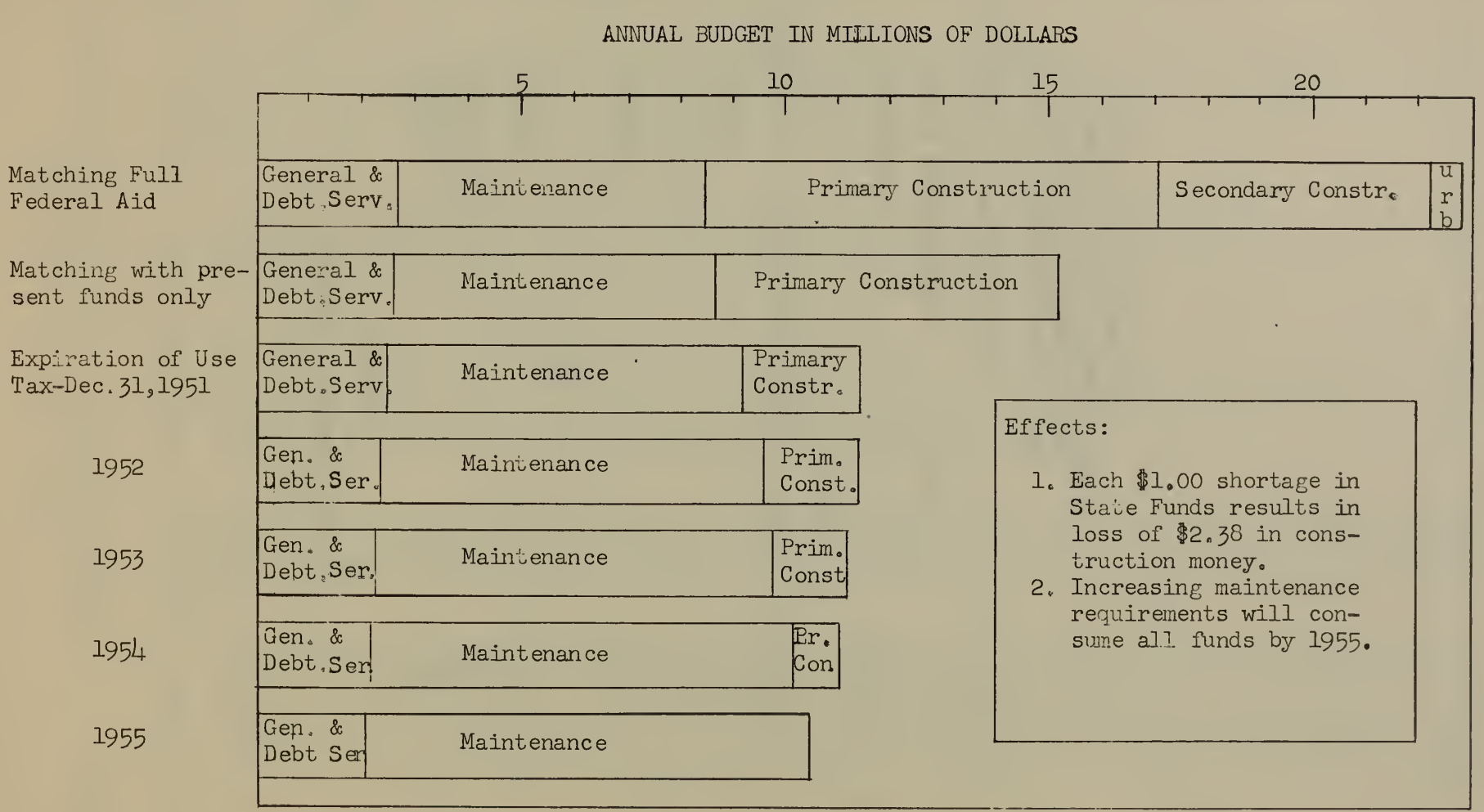
Area	33 1/3%	100%
Population	33 1/3%	
Post Road Mileage	33 1/3%	

To arrive at matching funds:

Area of Federal land in State,
Montana has 14% Federal land
Divide by 2 = 7%, added to 50%
gives us 57% Federal Aid.

TABLE NO. 13

CHART SHOWING PROBABLE EFFECT OF FAILING TO MATCH FEDERAL AID



be enacted by the 81st. Congress, which is in the form of the Whittington Bill and would provide annual Federal Aid, in the amount of $500,000,000, an annual increase of $50,000,000, compared to the 1948 Act. The $500,000,000 figure was also recommended by President Truman in his Message to Congress, and was the program supported by Mr. McDonald Commissioner of the Bureau of Public Roads. In addition to this there was a companion bill introduced for approximately $70,000,000 for the Interstate System which includes three highways in Montana, Nos. 10, 91, and 87.

Table No. 14 is based on the above information and you will note that it would then require State funds in the amount of $6,083,479; whereas, you will note that present state funds available for our current revenue amount to $3,175,000, leaving an annual requirement of $2,908,479. However, you will also note that of the available State funds, $1,368,000 are now provided by current revenues which are temporary and were enacted by the 1949 Session of the Montana Legislature as a stop-gap to assure us of a highway program and to give the State time to make a financial study of its highways program.

Temporary taxes are listed on Sheet 2 of the 1950 Financial Forecast Table No. 15, and if you will refer to the forecast for the fiscal year 1950, you will note that the total anticipated funds available are $15,244,000. However, this includes $4,400,000 of debenture bond funds which are non-recurring and which will have to be retired as shown on Table No. 7. The financial forecast for the fiscal year 1950 also shows the expenditures which again total $15,244,000 using all of the various incomes as shown in the same schedule. You will note that the first item of expenditure is payment on the outstanding debentures in the amount of $1,422,000, this, as stated before, is paying for highways which should have been built out of current funds together with the available Federal Aid Funds, and then it would not have been necessary to sell the $12,000,000 in debentures or lose the Federal Aid. In this case there is one very reasonable excuse and that is the war which disrupted the entire highway program, both as to finances and construction, and the necessity of this program can properly be charged as one of the costs of the war. However, such a procedure should not be necessary during peace time.

NET GASOLINE TAX TO HIGHWAY FUND

According to Table No. 16 the net gasoline tax received by the highway fund for 1949 was $7,651,460.52 and you will note that there has been a substantial increase in the amount of gasoline revenue per year since its inception in 1924. The Montana Petroleum Industries Committee, which appeared at one of our Sessions, felt that the increased gasoline revenue, based on an estimated annual increase of 10,000,000 gallons, would be sufficient to operate the highway program without increasing the tax rate. However, when we consider that maintenance alone will require approximately $6,000,000.00, and when we realize that a great deal of our construction program is being deferred because of the lack of matching funds, we are convinced that the present gasoline tax is not sufficient.

MAINTENANCE

"The tyranny of rising maintenance costs"*, has become a very sizeable expenditure in Montana, amounting to $5,906,200, for the fiscal year 1950, the details of which are shown in Sheet 4 of the Financial Forecast, Table No. 15.

* Commissioner MacDonald--Bureau of Public Roads.

TABLE 14

FUTURE CONSTRUCTION PROGRAM, BASED ON CONGRESSIONAL APPROPRIATIONS FOR FEDERAL AID AS PROVIDED BY THE WHITTINGTON BILL IN THE 81st CONGRESS SHOWING STATE MONEY REQUIRED TO MATCH FEDERAL FUNDS.

	MONTANA		Federal	State	Total	% of Traffic
	Federal Aid	State Funds				
Interstate	78.5%	21.5%	$ 505,312	$ 138,398	$ 643,710)	54.3
Primary	57.0%	43.0%	4,501,609	3,395,951	7,897,560)	
Secondary	57.0%	43.0%	3,075,359	2,320,008	5,395,367	6.8
Urban	57.0%	43.0%	303,720	229,122	532,842	
	TOTAL		$8,386,000	$6,083,479	$14,469,479	

Present State Funds Available - Current Revenues	$3,175,000	($1,368,000 Temporary)
Additional State Money Required (Annually)	$2,908,479	

Based on proposed Federal Appropriations, per year, 81st Congress, 2nd Session.

FINANCIAL FORECAST FOR FISCAL YEAR - 1950

TABLE NO. 15

Total Anticipated Funds Available, including cash on hand, credits and anticipated Revenues For Fiscal Year 1950 (July 1, 1949 to June 30, 1950)

Approximate unobligated balance as of July 1, 1949, including funds from sale of Debenture Bonds, other cash on hand or due and payments due from Public Roads Administration.		$4,400,000
Anticipated Gross Revenue from 6¢ Gas and Diesel Fuel Tax	$13,520,670	
Less Anticipated Statutory Refunds	3,560,670	
Anticipated Net Revenue (Exh. "A")		9,960,000
U. S. Oil Royalties		150,000
Anticipated 6 Months revenue beginning January 1, 1950, from:		
Use tax from all trucks	(Exh. "B")	277,000
Use tax from all trailer & semi-trailers	"	40,000
Use tax on all automobiles	"	200,000
Temporary License on out of State trucks, trailers and semi-trailers		10,000
Tax on new motor vehicles in lieu of property tax		157,000
Legislative appropriation - State Advertising		50,000
Total Anticipated Funds Available		$15,244,000

Anticipated Probable Disbursements for Fiscal Year 1950 (July 1, 1949 to June 30, 1950)

For Retirement of $12,000,000 outstanding Debenture Bonds		$1,422,000
Administrative:		
State Highway Commission		9,000
State Highway Department (less Maintenance Supervision)		390,000
Pre-construction & Construction Engineering (Non Federal Aid)		400,000
Right of Way (Non Federal Aid)		140,000
Engineering Equipment		25,000
State's share of Planning Survey costs		60,000
State Advertising, under Legislative appropriation		50,000
Retirement Premiums (Public Empl. Retirement Law)		125,000
Maintenance, including supervision & overhead betterments, shop expense, stores accounts, equipment buildings, Port of Entry Station operation & sllied minor miscellaneaous expense	(Exh. "C")	5,906,200
Available for matching Federal Aid for Highway construction		6,716,800
Total Anticipated Probable Disbursements		$15,244,000

SHEET 2 of TABLE NO. 15

ANTICIPATED STATE HIGHWAY REVENUES FROM VEHICLE TAXES JANUARY 1, 1950 to June 30, 1950

Use Tax on trucks	$583,516 X .95 X .5	$277,122.60
Use Tax on trailers & semi-trailers	83,756 X .95 X .5	39,785.57
Use Tax on automobiles	421,692 X .95 X .5	200,202.70
Temporary license on out of state trucks	21,035 X .95 X .5	9,991.63
Tax on new passenger motor vehicles in lieu of property tax		156,854.50
Total		$684,057.00

NOTE:

The following explanation is given with respect to the use of the factors shown above:

The factor of .95 is applied to the estimated gross receipts as shown in the more detailed breakdown, given below, inasmuch as 5% of the gross receipts is withheld by Law to defray the county expense in the collection of the Tax, leaving but 95% of the amounts collected as a net return for use by the State Highway Department.

The factor of .5 is applied to the estimated gross yearly receipts as shown in the more detailed breakdown given below, inasmuch as the Act will be in effect for but six months of this fiscal year. (The fiscal year includes the 12 months from July 1, 1949 to June 30, 1950. The Act will become effective as of January 1, 1950.)

ESTIMATED YEARLY GROSS REVENUES UNDER THE ACT

Truck Revenue

Trucks 1 ton or under	34,498 at $5.00	$177,490
Trucks over 1 ton & up to & including 1½ ton	22,063 at 10.00	220,630
Trucks over 1½ ton & up to & including 2 ton	1,833 at 22.50	41,242
Trucks over 2 ton & less than 3 Ton	1,309 at 37.50	49,087
Turcks over 3 ton & up to 5 ton	314 at 60.00	18,840
Turcks over 5 ton	164 at 100.00	16,400
Totals	61,181	$523,689
Estimated increase for 1950 at 11.405%		59,272
TOTAL estimated truck revenue for 1950		$583,416

Trailer Revenue

Trailers & semi-trailer 1 ton & under	1,516 at 2.00	3,032
Trailers & semi-trailers 1 ton & including 2. T.	3,162 at 15.00	47,430
Trailers & semi-trailers over 2 T & less than 3T	315 at 25.00	7,875
Trailers & semi-trailers 3 ton & less than 4 T	193 at 30.00	5,790
Trailers & semi-trailers 4 ton up to 5 ton	73 at 35.00	2,555
Trailers & semi-trailers over 5 ton capacity	85 at 100.00	8,500
Totals	5,344	75,182
Estimated increase for 1950 at 11.405		8,575
TOTAL Estimated Revenue - Trailer Revenue		83,757

NOTE: Farm trailers having a license registration fee of $5.00 each are placed in the 2 ton category, as they are of variable makes, and it is impossible to correctly place them in the proper rated capacities until more accurate records are available.

SHEET 3 of TABLE NO. 15

Passenger Car Use Tax

Passenger Cars Registered in 1948		145,402
Estimated Increase for 1950 at 9%		13,086
Total Estimated Registration for 1950 Fiscal Year		158,488
Deduct 5% exempted vehicles in cities		7,924
Total Estimated Vehicles to be Taxed		150,564
130,564 Full Year License at	$3.00	$391,692
20,000 Half Year License at	1.50	30,000
TOTAL Anticipated Revenue Passenger Car Use Tax		$421,692

Out of State Trucks

Out of State trucks, at 25% of regular fees as shown in Section 1 of the truck tax.

Trucks 1 ton or under	150	at $1.25	187.50
Trucks over 1 T & up to & includg 1½ T	150	at 2.50	562.50
Trucks over 1½ T & up to & includg 2 T	225	at 5.62	1,264.50
Trucks over 2 ton & less than 3 ton	225	at 9.37	2,108.25
Turcks over 3 ton & up to 5 ton	375	at 15.00	5,625.00
Turcks over 5 ton	375	at 25.00	9,375.00
Totals	1,500		$19,122.75
10% Estimated increase for 1950			1,912.27
Total out of state registrations			$21,035.02

New car tax in lieu of property tax

		Aver.
New passenger cars registered in 1948	16,511 at $20.00	$330,220

SUMMARY

Estimated Truck Revenue	583,416
Estimated Trailer Revenue	83,757
Estimated Passenger Car Use Tax Revenue	421,692
Estimated Out of State registrations	21,035
Estimated New Car Tax Revenue	330,220
Total	$1,440,120
Less 5% to County Treasurers	72,006
Grand Total Available	$1,368,114

SHEET 4 of TABLE NO. 15

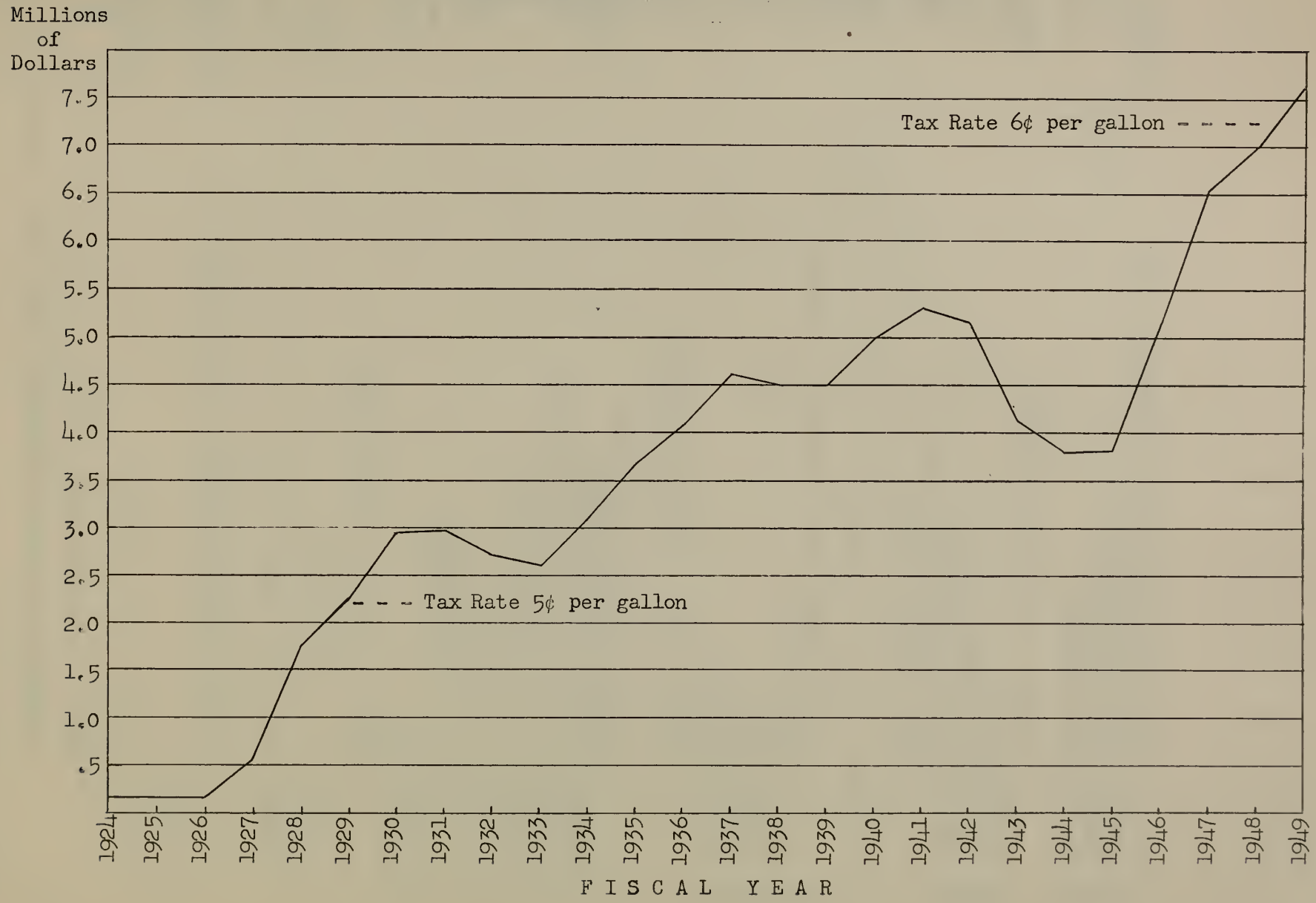
BUDGETED MAINTENANCE EXPENDITURES FISCAL YEAR - 1949-50

GENERAL MAINTENANCE DIRECT CHARGES

1.	All items except those following		$3,000,000
2.	Snow Removal		400,000
3.	Sanding		200,000
4.	Weighing (Load Limit Enforcement)		45,000
	SUB-TOTAL, GENERAL MAINTENANCE DIRECT CHARGES		$3,645,000
5.	SPECIAL MAINTENANCE DIRECT CHARGES		400,000
6.	BETTERMENTS - DIRECT CHARGES		1,250,000
	INDIRECT CHARGES : OVERHEAD ITEMS		
7.	Annual Leave		192,000
8.	Supervision		65,000
9.	Industrial Accident Insurance		40,000
10.	Adm. Expense - Helena Shop		30,000
11.	Gasoline distribution		42,000
12.	Insurance on Maintenance Buildings		1,000
13,	Insurance on Maintenance Stores		200
14.	Upkeep & Repair of Maintenance Buildings		32,000
15.	Upkeep & Repair of Shop Equipment		7,000
	SUB-TOTAL INDIRECT CHARGES		409,200
	SUB-TOTAL ROAD MAINTENANCE ONLY		$5,704,200
	SORES ACCOUNTS, INCREASE OR DECREASE		
16.	Crushed Gravel		110,000
17.	District Stores		
18.	Equipment Stores		
19.	Helena Stores		
20.	Miscellaneous Stores		
	SUB-TOTAL STORES INCR. OR DECR. F. Y. 1949-50		110,000
21.	Equipment Rental - F. Y. 1949-50	(credit)	100,000
	CAPITAL ASSETS ACCOUNTS		
22.	New Buildings, Storage, Sand Houses, etc.		80,000
23.	New Fuel Storage Facilities		6,000
24.	New Road Oil Storage Facilities		60,000
25.	New Shop Tools		9,000
	SUB-TOTAL CAPITAL ASSETS INCREASE		155,000
26.	Port of Entry Stations		12,000
27.	Miscellaneous Refunds Due	(credit)	5,000
28.	City & County Non-Reimbursable		30,000
	TOTAL CASH OUTLAY AGAINST MAINTENANCE BUDGET		$5,906,200

TABLE NO. 16

NET GASOLINE TAXES TO STATE HIGHWAY FUND



In highways, as in everything else, we must remember the old saying "It is not only the first cost, but the upkeep." This old saying can apply to nothing more pertinently than to highways. The highway, or a system of highways is no better than its maintenance, and no highway administrator should embark on a highway construction program without first giving consideration to the maintenance problem that will inexorably follow.

The Committee did not have time to make a thorough study of maintenance costs, but would suggest that careful consideration be given before any sizeable job is undertaken as maintenance. It may save the people of Montana considerable money if the project is classified as reconstruction and entitled to Federal aid and subjected to competitive bidding.

You will note that Table No. 15 shows an estimated maintenance expenditure for the fiscal year 1950 of $5,906,200, (55½ of our income)*, which is an increase of approximately $767,515.00 over the amount spent during the fiscal year of 1949.** At this rate of increase per year maintenance will take all our highway income within three years even if we continue the revenue measures which expire December 31, 1951. You will also note that the maintenance cost for the ten fiscal years 1940-1949 averages $540.95 per mile, whereas, the maintenance for 1949 cost approximately $1,000per mile. (See Table No. 18). Our maintenance cost has increased tremendously for three reasons. First, we have a much larger plant to maintain, second, there has been a tremenduous increase in the various costs, and third, greater traffic of heavier loads at higher speeds.

As an example, Table No. 19 shows that the average cost for maintenance employees wages for 1937-1942 was 76 cents per hour. In 1948 this had increased to $1.42 per hour.

OVERLOADING

The great increase in the number, size and weight of trucks has had a detrimental effect on the life of our highways. Over sixty percent of our present Primary System was built prior to 1940. These roads were built to a standard that was considered adequate at that time, however, under present loading pracrices they fail to hold up. The average loaded weight of all trucks during 1936 was 8,322 pounds per vehicle. By 1949 the average truck had increased to 19,875 pounds. The average weight of all combinations has increased from 25,644 pounds per vehicle in 1936 to 46,383 pounds in 1949. The average maximum axle load has increased from 4,860 pounds to 9,874 pounds during the same period.

Approximately seven percent of all vehicles weighed during the Loadometer Survey of 1949 were violating the law pertaining to load restrictions. Whereas one exle per 1,000 vehicles weighed in 1936 exceeded the 18,000 pound limitation, the 1949 Loadometer Survey showed that thirty-three axles per 1,000 vehicles weighed exceeded 18,000 pounds. Axle loads were as high as 26,000 pounds and truck weights were as high as 95,000 pounds.

We believe that high speeds and overloading of large vehicles contribute in a great measure to the break-up of our roads. Honest and conscientious

* In Washington cost $6,100,000 or 28% of their income
** See Table No. 17

TABLE NO. 17

COMPARISON OF ANNUAL MAINTENANCE EXPENDITURES

By Financial Districts and Fiscal Years

Financial District	FY-1940	FY-1941	FY-1942	FY-1943	FY-1944	FY-1945	FY-1946	FY-1947	FY-1948	FY-1949	Total
1	128,626.79 6.73%	150,211.32 7.74%	165,452.97 7.98%	184,810.50 9.35%	192,928.93 8.68%	192,073.26 7.91%	278,365.07 9.91%	311,444.94 9.53%	446,405.18 10.33%	588,686.93 11.46%	2,639,005.89 9.39%
2	166.791.16 8.73%	129,598.52 6.67%	147,230.57 7.10%	111,382.12 5.63%	140,143.82 6.30%	155,909.65 6.42%	179,187.02 6.38%	233,522.32 7.16%	274,973.59 6.36%	381,263.29 7.42%	1,920,002.06 6.83%
3	138,221.58 7.23%	151,057.79 7.78%	146,755.23 7.07%	131,040.11 6.63%	162,594.05 7.32%	160,522.69 6.61%	209,302.84 7.45%	226,281.69 6.92%	295,585.66 6.84%	301,974.06 5.88%	1,923,335.70 6.85%
4	81,450.45 4.26%	97,135.86 5.00%	90,261.09 4.35%	112,615.68 5.70%	125,076.86 5.63%	121,533.13 5.00%	196,465.15 6.99%	169,445.00 5.18%	273,094.52 6.32%	315,882.38 6.15%	1,582,960.12 5.63%
5	104,069.43 5.44%	83,515.09 4.30%	75,411.36 3.64%	55,276.31 2.80%	82,134.61 3.70%	112,669.01 4.64%	87,068.65 3.10%	122,053.45 3.73%	231,123.23 5.35%	201,349.64 3.92%	1,154,670.78 4.12%
6	164,626.85 8.62%	225,884.77 11.63%	185,849.87 8.96%	200,418.29 10.14%	255,560.49 11.50%	227,098.31 9.35%	217,686.23 7.75%	332,491.04 10.17%	373,594.17 8.65%	581,289.15 11.30%	2,764,499.17 9.84%
7	142,346.81 7.45%	171,588.20 8.84%	174,111.93 8.39%	212,914.23 10.76%	188,178.41 8.47%	189.858.78 7.82%	279,077.88 9.93%	279,888.80 8.56%	339,829.60 7.86%	384,947.78 7.49%	2,362,742.42 8.41%
8	270,958.49 14.18%	257,072.46 13.24%	274,251.56 13.22%	323,958.35 16.37%	328,892.60 14.80%	362,667.89 14.94%	378,081.36 13.45%	452,142.29 13.84%	634,039.54 14.67%	730,057.02 14.20%	4,012,121.56 14.28%
9	132,469.98 6.93%	137,006.39 7.06%	175,968.88 8.48%	119,544.84 6.05%	126,957.51 5.70%	174,506.52 7.19%	171,802.95 6.11%	216,130.50 6.62%	215,001.78 4.98%	312,753.35 6.09%	1,782,142.70 6.34%
10	201,470.61 10.54%	175,150.71 9.92%	203,583.41 9.82%	161 250.03 8.15%	197,336.38 8.88%	190,836.78 7.86%	245,224.38 8.73%	277,567.65 8.49%	446,583.92 10.33%	533,019.05 10.37%	2,632,022.92 9.37%
11	225,812.72 11.82%	225,009.75 11.59%	257,820.53 12.43%	237,673.07 12.02%	251,723.99 11.33%	287,300.81 11.83%	340,429.66 12.11%	403,612.76 12.35%	465,638.76 10.78%	436,593.19 8.50%	3,131,615.24 11.15%
12	154,115.98 8.07%	138,378.23 7.13%	177,643.58 8.56%	126,546.29 6.40%	170,987.63 7.69%	253,309.47 10.43%	227,470.11 8.09%	243,489.42 7.45%	325,548.32 7.53%	370,869.86 7.22%	2.188,358.89 7.79%
TOTAL	1,910,960.85 6.80%	1,941,609.09 6.91%	2.074,340.98 7.38%	1,977,429.82 7.04%	2,222,515.28 7.91%	2,428,286.30 8.64%	2,810,161.30 10.00%	3,268,069.86 11.63%	4,321,418.27 15.38%	5.138,685.70 18.29%	28,093,477.45 100.00%

Note: Amounts shown include direct costs only - do not include overhead

COMPARISON OF ANNUAL MAINTENANCE EXPENDITURES ON PRIMARY SYSTEM

TABLE NO. 18 Annual Expenditures and Percentage by Routes

(Includes Direct Expenditures Only - Does Not Include Overhead)

Route No.	Fiscal Year - 1940		Fiscal Year - 1941		Fiscal Year - 1942		Fiscal Year - 1943	
	Amount	%	Amount	%	Amount	%	Amount	%
1	290,955.50	15.23	247,253.11	11.73	242,003.12	11.66	239,810.06	12.14
2	451,567.54	23.64	428,427.31	22.06	496,321.23	23.92	390,817.52	19.77
3	196,233.72	10.28	189,299.06	9.75	250,897.68	12.10	242,331.63	12.26
4	36,765.56	1.92	28,297.97	1.46	23,836.59	1.15	24,047.00	1.22
5	107,131.62	5.62	103,000.09	5.30	118,210.75	5.70	111,952.98	5.66
6	37,252.23	1.95	46,628.13	2.40	43,363.03	2.09	58,939.51	2.98
7	18,870.32	.99	18,622.78	.96	18,999.48	.92	36,768.43	1.86
8	39,788.86	2.08	67,943.42	3.50	46,079.76	2.22	69,848.18	3.53
9	11,872.59	.62	24,472.48	1.26	9,362.24	.45	9,508.50	.48
10	35,010.93	1.83	80,983.98	4.17	68,599.58	3.31	55,910.34	2.83
11	68,648.23	3.59	68,884.55	3.55	85,201.07	4.11	67,536.64	3.41
12	1,928.32	.10	7,478.39	.39	2,195.51	.11	3,634.91	.18
13	19,160.93	1.00	16,793.34	.86	21,804.63	1.05	16,737.87	.85
14	42,678.43	2.23	44,203.34	2.28	79,134.57	3.81	48,647.83	2.46
15	113,207.20	5.92	112,986.55	5.82	86,577.78	4.17	85,614.08	4.32
16	72,450.37	3.79	80,663.26	4.15	84,897.89	4.09	113,545.51	5.74
17	29,765.54	1.56	56,385.85	2.90	51,643.26	2.49	44,219.76	2.24
18	17,102.01	.89	15,666.19	.81	15,098.58	.73	14,236.89	.72
19	36,933.27	1.93	43,923.66	2.21	24,299.26	1.17	28,410.84	1.44
20	18,065.70	.95	17,396.22	.90	20,512.18	.99	24,313.26	1.23
21	29,679.74	1.55	23,249.01	1.20	49,575.63	2.39	39,056.54	1.98
22	23,961.20	1.25	26,136.95	1.35	27,720.80	1.34	30,496.41	1.54
23	30,538.93	1.60	28,093.64	1.45	34,603.32	1.67	28,989.69	1.47
24	22,608.39	1.18	20,274.01	1.04	14,214.11	.69	13,560.37	.69
25	8,765.93	.46	8,205.88	.42	15,363.76	.74	10,345.25	.52
26	4,186.52	.22	993.42	.05	1,008.69	.05	1,154.21	.06
27	12,033.87	.63	6,215.32	.32	8,521.90	.41	14,043.72	.71
28	8,537.03	.45	7,752.30	.40	11,985.99	.58	24,039.46	1.22
29	8,923.10	.47	22,463.63	1.16	9,074.83	.44	9,531.83	.48
30	3,234.01	.17	3,945.87	.20	3,774.07	.18	4,301.74	.22
31	1,780.63	.09	2,386.00	.12	2,281.56	.11	2,496.71	.13
32	9,712.55	.51	11,370.02	.59	11,562.90	.56	8,801.20	.45
33	8,017.62	.42	11,071.58	.57	15,011.89	.72	12,772.50	.64
35	4,459.91	.23	4,760.83	.25	6,682.95	.32	6,046.94	.31
36	6,147.04	.32	6,365.78	.33	9,219.51	.44	15,038.04	.76
37	6,558.08	.34	6,327.33	.33	6,268.10	.30	5,704.81	.29
38	780.99	.04	1,366.82	.07	1,788.07	.09	2,096.20	.11
39								
40	740.58	.04	1,305.99	.07	1,380.47	.07	2,188.32	.11
41	2,005.23	.10	3,486.12	.18	2,782.21	.13	1,187.58	.06
42	5,273.15	.28	2,775.10	.14	3,558.78	.17	3,023.35	.15
43	14,836.59	.77	11,732.43	.60	12,075.93	.58	7,011.86	.35
44	1,410.04	.07	1,542.63	.08	1,638.61	.08	4,852.36	.25
45	9,869.76	.52	1,717.25	.09	4,367.56	.21	2,774.17	.14
46	4,758.55	.25	2,929.26	.15	5,774.84	.28	6,145.14	.31
47	2,367.28	.12	1,229.28	.06	2,123.14	.10	6,016.97	.30
48	531.66	.03	444.33	.02	375.05	.02	957.34	.05
49					390.90	.02	908.40	.05
50	33,853.60	1.77	25,158.63	1.30	22,127.22	1.07	26,365.97	1.33
TOTAL	1,910,960.85	100.00	1,941,609.09	100.0	2,074,340.98	100.0	1,977,429.82	100.00

Sheet 2

TABLE NO. 18

COMPARISON OF ANNUAL MAINTENANCE EXPENDITURES ON PRIMARY SYSTERM

Annual Expenditures and Percentage by Routes

(Includes Direct Expenditures Only - Does Not Include Overhead)

Route No.	Fiscal Year - 1944		Fiscal Year - 1945		Fiscal Year - 1946		Fiscal Year - 1947	
	Amount	%	Amount	%	Amount	%	Amount	%
1	293,505.46	13.22	292,892.00	12.07	344,213.31	12.25	402,199.33	12.30
2	426,924.01	19.22	461,190.88	18.99	491,858.92	17.50	621,656.94	19.01
3	224,834.94	10.12	225,392.86	9.28	331,584.46	11.80	297,925.03	9.12
4	23,454.87	1.06	43,261.55	1.78	46,742.25	1.66	20,644.39	.63
5	89,663.10	4.03	124,865.56	5.14	135,931.59	4.84	151,277.94	4.63
6	67,474.20	3.04	72,270.09	2.98	63,358.57	2.22	106,908.37	3.27
7	32,187.63	1.45	43,034.13	1.77	41,486.44	1.48	43,582.12	1.33
8	51,611.73	2.32	60,506.76	2.49	73,378.37	2.61	85,799.63	2.63
9	14,111.24	.63	12,915.23	.53	17,041.03	.61	19,085.40	.58
10	69,891.14	3.14	38,691.06	1.59	48,252.17	1.72	79,911.70	2.45
11	73,299.85	3.30	92,850.59	3.82	100,624.89	3.58	120,475.71	3.69
12	2,684.11	.12	3,026.08	.12	4,467.48	.16	7,209.15	.22
13	21,956.25	.99	62,046.24	2.56	40,928.90	1.46	59,143.88	1.81
14	86,833.94	3.91	53,364.00	2.20	84,735.08	3.02	60,139.43	1.84
15	127,764.74	5.74	126,884.61	5.23	154,042.31	5.48	221,580.99	6.78
16	111,504.70	5.00	138,590.94	5.71	114,467.28	4.07	136,874.66	4.19
17	40,270.90	1.81	38,379.77	1.58	51,792.15	1.84	57,892.15	1.77
18	26,964.82	1.21	35,829.21	1.48	40,454.90	1.44	28,976.13	.89
19	26,737.57	1.20	33,815.22	1.39	50,974.71	1.81	67,153.89	2.05
20	18,812.07	.85	23,981.45	.99	55,437.45	1.97	23,739.09	.73
21	53,479.17	2.41	63,435.33	2.61	54,007.01	1.92	77,883.26	2.38
22	36,498.45	1.64	34,961.14	1.44	80,639.90	2.87	72,581.03	2.22
23	44,561.34	2.00	70,524.92	2.90	79,042.86	2.81	52,608.36	1.61
24	37,030.57	1.67	27,582.31	1.14	21,982.45	.78	26,328.66	.81
25	11,104.13	.50	15,755.24	.65	12,209.64	.43	12,009.37	.37
26	1,422.25	.06	1,548.62	.06	5,288.82	.19	2,185.46	.07
27	20,885.37	.94	19,198.84	.79	12,527.91	.45	23,301.42	.71
28	12,007.10	.54	10,497.00	.43	12,890.75	.46	33,484.48	1.02
29	9,931.67	.45	11,328.59	.47	13,106.44	.47	14,121.17	.43
30	4,235.91	.19	4,291.97	.18	5,662.16	.20	5,767.39	.18
31	3,562.46	.16	2,217.72	.09	3,954.73	.14	5,141.41	.16
32	13,700.90	.62	23,757.48	.98	33,926.91	1.21	26,903.09	.82
33	14,898.89	.67	15,176.16	.62	15,405.33	.55	21,594.71	.66
35	6,308.29	.28	6,479.26	.27	11,155.43	.40	15,395.14	.47
36	31,149.88	1.40	18,610.62	.77	24,314.49	.87	65,247.23	2.00
37	22,974.88	1.03	24,131.59	.99	22,042.81	.78	67,510.21	2.07
38	2,318.06	.10	5,160.07	.21	6,752.98	.24	4,013.51	.12
39								
40	1,605.41	.07	1,196.94	.05	1,068.32	.04	1,581.81	.05
41	4,390.86	.20	3,163.55	.13	3,223.36	.11	3,022.70	.09
42	5,363.83	.24	4,997.98	.21	21,600.61	.77	4,496.46	.14
43	12,304.35	.55	34,207.98	1.41	13,207.56	.47	18,231.77	.56
44	2,137.43	.10	2,760.58	.11	3,126.57	.11	24,871.83	.76
45	2,380.28	.11	4,315.21	.18	16,810.46	.60	16,815.41	.51
46	6,207.23	.28	9,118.88	.38	7,834.18	.28	9,049.84	.28
47	4,566.96	.21	4,000.07	.16	1,785.75	.06	2,791.23	.09
48	1,863.05	.08	1,820.47	.07	517.65	.02	847.48	.03
49	1,047.93	.05	966.86	.04	1,298.16	.05	1,123.14	.03
50	24,181.37	1.09	23,302.69	.96	33,905.73	1.20	46,986.36	1.44
TOTAL	2,222,515.28	100.00	2,428,286.30	100.00	2,810,161.30	100.0	3,268,069.86	100.00

Sheet 3

TABLE NO. 18

COMPARISON OF ANNUAL MAINTENANCE EXPENDITURES ON PRIMARY SYSTEM

Annual Expenditures and Percentage by Routes

(Includes Direct Espenditures Only - Does Not Include Overhead)

Route No.	Fiscal Year - 1948 Amount	%	Fiscal Year - 1949 Amount	%	Total Amount	%	Average Miles Maintained	Av.Cost Per Mile Per Year
1	558,401.00	12.91	713,283.80	13.88	3,624,507.69	12.91	674.170	537.63
2	823,981.94	19.06	943,308.81	18.36	5,536,055.10	19.71	704.504	785.81
3	329,444.62	7.61	487,775.30	9.49	2,775,719.30	9.89	402.278	690.00
4	22,299.41	.52	27,419.02	.53	296,768.61	1.06	55.150	538.11
5	235,254.79	5.44	305,118.81	5.94	1,482,407.23	5.28	191.333	774.78
6	167,885.32	3.88	158,141.16	3.08	821,220.61	2.92	115.973	708.11
7	64,277.37	1.49	62,820.42	1.22	280,649.12	1.35	75.798	502.90
8	144,725.68	3.35	139,095.34	2.70	778,777.73	2.77	111.855	696.24
9	25,935.29	.60	27,379.07	.43	171,683.07	.61	67.499	254.35
10	56,787.71	1.31	110,353.10	2.15	644,391.71	2.29	118.254	544.92
11	198,435.80	4.59	196,643.02	3.83	1,072,600.35	3.82	225.147	476.40
12	9,560.28	.22	16,522.25	.32	58,706.48	.21	8.732	672.31
13	57,700.43	1.34	68,143.04	1.33	384,415.51	1.37	106.677	360.35
14	97,409.74	2.25	119,931.54	2.33	717,077.90	2.55	234.368	305.96
15	315,476.86	7.30	361,011.05	7.03	1,705,056.17	6.07	361.508	471.65
16	225,055.81	5.21	191,238.33	3.72	1,269,288.75	4.52	225.736	562.29
17	133,084.80	3.08	101,690.82	1.98	605,125.00	2.15	77.396	781.86
18	48,222.14	1.12	59,820.49	1.16	302,371.36	1.08	83.284	363.06
19	51,789.71	1.20	70,768.56	1.38	433,806.76	1.54	65.405	663.26
20	28,157.97	.65	52,433.06	1.02	282,848.45	1.01	64.093	441.31
21	83,628.66	1.94	143,898.54	2.80	617,892.89	2.20	111.249	555.41
22	82,929.55	1.92	59,133.54	1.15	475,108.97	1.69	124.748	380.85
23	85,421.25	1.98	88,246.75	1.72	542,631.06	1.93	139.249	389.68
24	47,324.87	1.10	81,040.71	1.58	311,946.45	1.11	82.449	378.35
25	23,140.01	.54	44,873.70	.87	161,772.91	.58	46.508	347.84
26	13,233.33	.31	2,539.94	.05	33,561.26	.12	7.738	433.72
27	26,020.18	.60	50,591.06	.98	193,339.59	.69	75.262	256.89
28	21,281.49	.49	26,728.19	.52	169,203.79	.60	41.317	409.53
29	22,275.44	.52	45,001.25	.88	165,757.95	.59	58.172	284.94
30	24,154.20	.56	8,030.64	.16	67,397.96	.24	24.203	279.62
31	7,668.47	.18	14,618.50	.28	46,108.19	.16	13.894	331.86
32	28,929.93	.67	20,143.68	.39	188,808.66	.67	51.591	365.97
33	23,347.95	.54	40,296.60	.78	177,593.23	.63	57.555	308.56
35	15,319.81	.35	34,014.94	.66	110,623.49	.39	40.707	271.76
36	54,283.20	1.26	45,214.93	.88	275,590.72	.98	44.211	623.35
37	21,912.95	.51	22,134.96	.43	205,555.72	.73	78.120	263.12
38	5,841.92	.14	10,933.24	.21	41,051.86	.15	9.133	449.49
39								
40	1,461.88	.03	1,928.72	.04	14,458.44	.05	2.107	686.21
41	6,506.39	.15	9,197.41	.18	39,665.41	.14	6.724	589.90
42	5,967.63	.14	6,197.41	.12	63,109.87	.22	18.210	346.57
43	17,754.99	.41	22,594.99	.44	164,058.45	.58	39.441	415.96
44	21,566.86	.50	20,491.91	.40	84,398.82	.30	11.383	741.45
45	13,372.66	.31	27,198.43	.53	99,621.19	.35	41.072	242.55
46	9,665.46	.22	19,829.17	.39	81,312.55	.29	17.879	454.79
47	6,049.57	.14	5,632.09	.10	36,562.34	.13	6.222	587.63
48	1,286.16	.03	1,358.50	.03	10,001.69	.04	8.608	116.19
49	1,083.57	.03	797.10	.02	7,616.06	.03	5.292	143.92
50	56,103.12	1.30	73,266.34	1.43	365,251.03	1.30	61.486	594.04
TOTAL	4,321,418.27	100.00	5,138,685.70	100.00	28,093,477.45	100.00	5,193.390	540.95

TABLE NO. 19
MONTANA STATE HIGHWAY COMMISSION
WAGE SCHEDULE FOR MAINTENANCE EMPLOYEES
Comparison 1937 to 1948

Classification		1937-42	1942	1943-44	1945	1946	1947	1948
Foremen including Section men,	Ave. Monthly	$144.375	$163.93	$190.00	$204.38	$224.38	$269.25	$299.25
Skilled Trades	" Hourly	..9685	1.0313	1.1222	1.1667	1.2750	1.5240	1.6840
Skilled Operators	" "	.7529	.8239	.9500	1.0500	1.1500	1.3800	1.5300
Semi-skilled Operators	"	.7536	.8016	.8750	.9150	1.0150	1.2378	1.3700
Semi-skilled Labor	"	.7333	.7800	.8170	.8750	.9750	1.1720	1.3100
Laborer	"	.6042	.6929	.7850	.8250	.9250	1.1100	1.2600
Truck Operator	"	.7266	.7875	.8750	.9250	1.0250	1.2300	1.3800
Average Wage - All Classes	"	.75917	.8242	,91313	.97065	1.07194	1.28869	1.42263

administration of our weight and speed laws would help materially to save our roads, many of which were built 20 years ago and they are not strong enough for today's loads, nor do we have the necessary funds to rebuild these roads immediately, so we must protect what we have.

Our present laws have effective teeth and we recommend that our laws be enforced as directed by the legislature, especially Section 32-1126 which requires unloading of excessive weights. Other states have laws which give officials the authority to require unloading excessive weights and this seems to be the only real effective penalty. For example: Illinois officials were unable to stop this practice until an unloading law was enacted at the request of Governor Stevenson.

Table No. 20 shows that weight carried by all large trucks and truck-trailer combinations has increased over 135% in 13 years and the frequency of heavy loads has increased tremendously, from practically nothing to a substantial percentage of our traffic.

Table No. 21 shows that trucks require a very minimum of 24% more surface thickness than passenger cars, and Table No. 22 gives similar information in greater detail and would be applicable to Montana.

Statements of Officials and Resolutions of Organizations with Respect to Overloading

Commissioner of Public Roads and the Bureau of Public Roads:

The U. S. Commissioner of Public Roads has spoken repeatedly of the damage wrought by overloaded vehicles on the heavily-traveled routes of the primary and interstate highway systems. In October, 1949, he said:

> "There is no denial of the accomplishments under difficulties of the local highway officials, urban and rural, but the problem of keeping the highways in service under the rapidly growing number and the over-weight concentration of motor vehicles has been most acute on the State and interstate routes. The structural deterioration is being hastened and in addition an ever increasing mileage is rapidly becoming deficient in width, sight distance, strength and other features because of the enormous increase in volume and weight of traffic."

American Association of State Highway Officials:

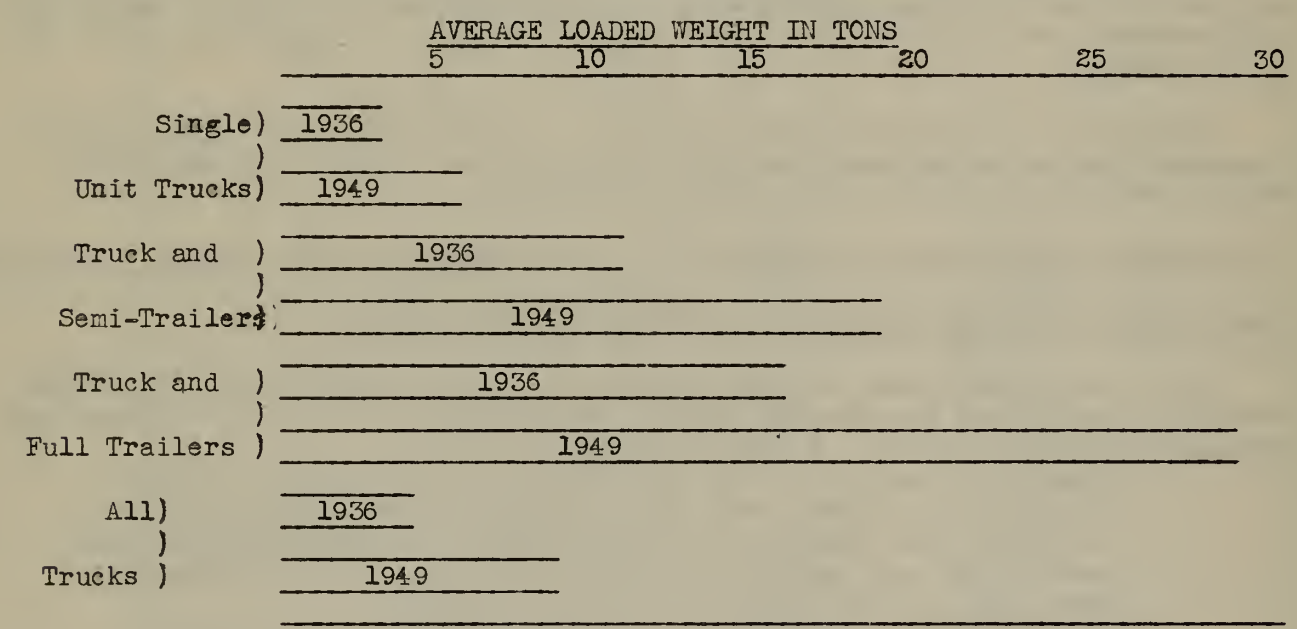
At the 1949 meeting the Association passed the following resolutions in repect to highway vehicle sizes and weights:

> WHEREAS, the Committee on Maintenance and Equipment of the Americal Association of State Highway Officials has approved and adopted the report of its subcommittee on the destructive effects of overloading highway vehicles; and
> WHEREAS, notwithstanding the very liberal maximum standards formulated and promulgated by this Association relative to highway vehicle sizes and weights, particularly to the recommended maximum single axle load of 18,000 lbs. great damage to our highways has resulted from the failure of some highway users to respect and comply with these well considered

TABLE NO. 20

COMPARISON OF TRUCK TRAFFIC IN 1936 AND 1949
From Loadometer Surveys

Type of Vehicle	Average Loaded Weight in tons 1936	1949	Percent of Total Traffic 1936	1949
Single Unit Truck	3.0	5.5	18.19	16.11
Truck and Semi-Trailer	10.6	20.1	0.17	2.08
Truck and Full Trailer	16.5	29.0	0.10	1.37
ALL TRUCKS	4.2	9.9	18.46	19.56



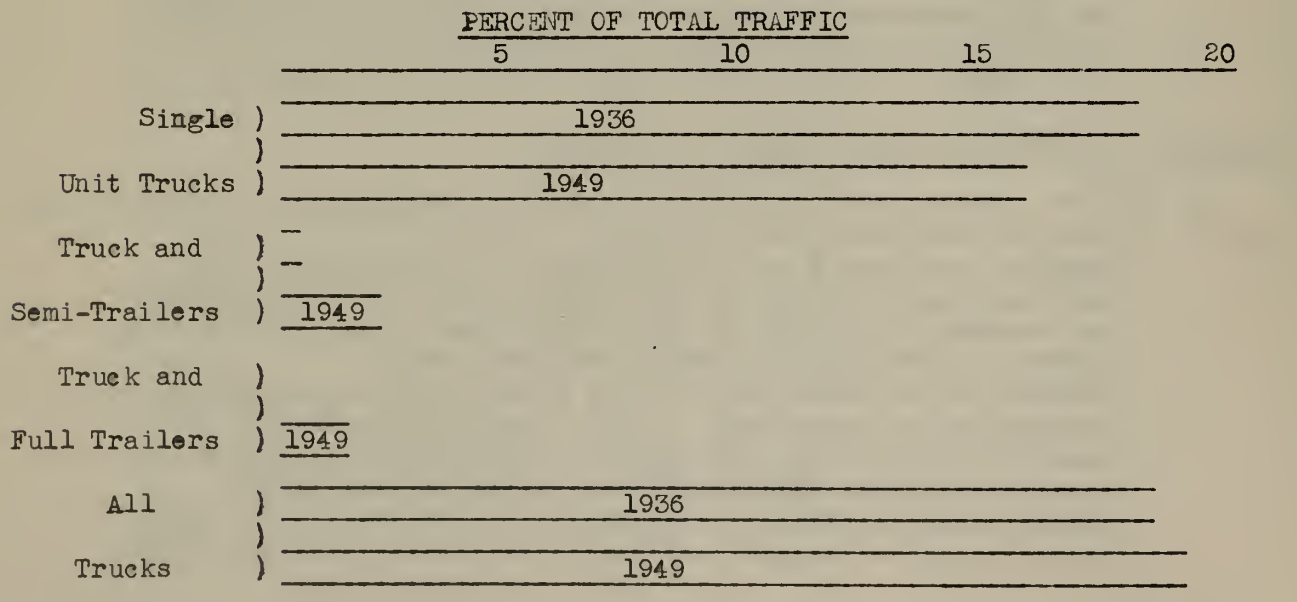
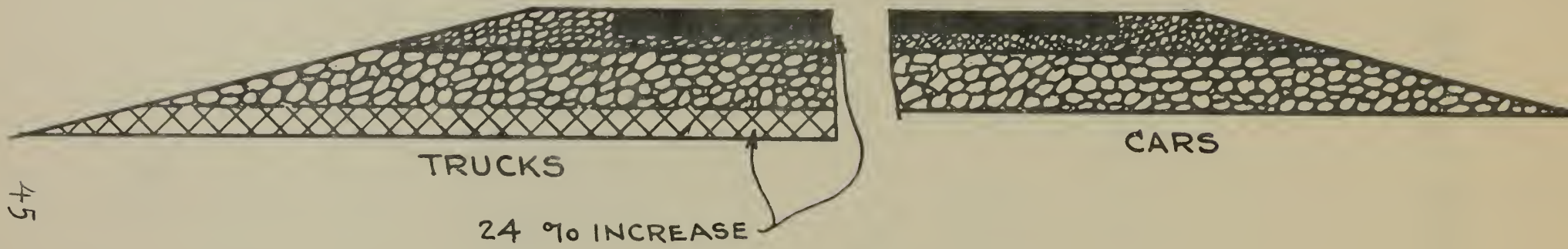


TABLE NO. 21

COMPARISON OF THICKNESS REQUIREMENTS FOR AUTOMOBILE AND TRUCK TRAFFIC



MONTANA HIGHWAY DESIGN METHOD BASED UPON GROUP INDEX OF SUB-GRADE SOILS, ALLEN CLASSIFICATION.

State Highway Commission

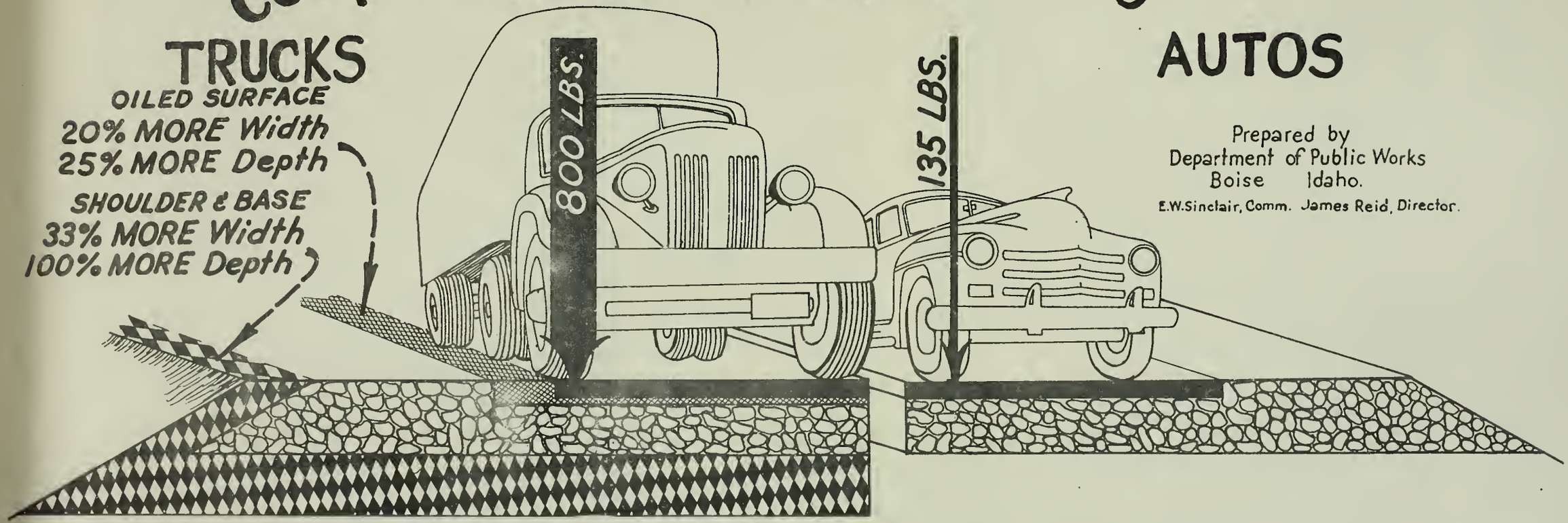
This is a diagram showing a comparison of the thicknesses of surfacing required for automobile and truck traffic over and A-4(3) subgrade soil.

Only the minimum additional surfacing has been considered in this comparison. We have not taken into account the geographical location, ground water table, adjacent land use or other factors which are encountered in actual field conditions. It is a comparison under average conditions and represents the minimum increase necessary for a roadway designed for passenger car traffic to carry heavy trucks. The "car" section is considered sufficient for 100 vehicles per day having wheel loadings of 4,000 pounds or less. The "truck" section is based upon over 300 vehicles per day with 20% having wheel loads in excess of 4,000 pounds. No additional width has been considered, however in most cases, such as on the more heavily travelled roads with a correspondingly higher percentage of truck traffic, wider shoulders must be provided both for stability and safety. The 24% increase in surfacing thickness is considered the very minimum and in actual practice it would more likely be necessary to increase this percentage.

TABLE NO. 22

IDAHO BUREAU OF HIGHWAYS

CHART SHOWING Comparable Weight on Highways Per Inch Tire Width



Prepared by
Department of Public Works
Boise Idaho.
E.W. Sinclair, Comm. James Reid, Director.

35% MORE Grading & Drainage Width

standards; and WHEREAS, this ruinous practice of overloading our roads is destroying our primary highways faster than we can rebuild or replace them... RESOLVED, by the American Association of State Highway Officials in annual convention assembled in San Antonio, Texas, on October 13, 1949, that each member State or regional group of States be advised and urged to initiate a vigorous, fearless, and sustained program of law enforcement, including special springtime restrictions, and that every effort be put forth to secure the legal adoption of the A.A.S.H.O. standards.

The National Grange

The master's address at the 1949 meeting of the National Grange expressed concern about the misuse of secondary roads:

> "***As we have improved our main arterial highways, weight limits and speeds have increased. When heavy trucks leave the well improved highways and travel on secondary highways which are not designed to carry such loads, they frequently do tremendous damage. Unless we are to build our secondary highways practically up to the specifications of our main highways, it seems inevitable that we must come to a system of classifying traffic and placing special load limits on our secondary roads. It is recognized that the task of policing any such policy would be tremendous, but the rate at which many of our secondary roads are being torn up by over-weight trucks demands a tax effort far greater than the task of adequate policing.
>
> It is also recognized that some of our farm traffic is tremendously heavy. Classification would result in some inconveniences for the rural areas, and probably higher freight rates for truck haulage, but we seem to be faced with an impossible alternative of greatly increased road expenditures to meet the growing tendency to haul heavier and heavier loads or limiting the loads...
>
> There is a great deal of load limit violation on all our highways, and it is probable that 75 per cent of the breakdown is caused by less than 10 per cent of the traffic that ignores load limitations. It is high time that adequate enforcement methods be devised and employed for protecting the highways into which we are annually pouring hundreds of millions of dollars."

We must not discourage transportation in any form but we must remember that highways are built with public funds and they are to be protected for the public, and special facilities for the benefit of private organization should be paid for by the beneficiaries.

We therefore recommend that;

1. No increases should be permitted in present size and weight restrictions pending completion of scientific investigations being made by various state highway departments in cooperation with the United States Bureau of Public Roads. Montana's present laws are among the most liberal. See Table 23.

STATE SIZE AND WEIGHT RESTRICTIONS

TABLE NO. 23 — June 1, 1950

STATE	HEIGHT	LENGTH			Maximum Axle Load in pounds	Maximum* Gross Weight in Pounds		
		Single Unit	Tractor Semi-Trailer	Combination		Tractor Semitrailer		Combination
						Single Axle	Tandem	
Ala.	12'6"[6]	35	45	N.P.	18,000S	45,000	56,000	N.P.
Ariz.	13'6"	40	65	65	18,000	45,000	68,000[1]	78,800
Ark.	12'6"	35	50	60	18,000	45,000	55,980	64,650
Calif.	13'6"	35	60[2]	60	18,000	45,000	68,000[1]	76,800
Colo.	12'6"	35	60	60	18,000	45,000	68,000[1]	76,000
Conn.	12'6"	45	45	N.P.	22,400	50,000	50,000	N.P.
Dela.	12'6"	35	50	60	20,000[3]	48,000	60,000	60,000
D. C.	12'6"	35	50	50	22,000	52,000	65,400	65,400
Fla.	12'6"[6]	40[7]	50	50	18,000	45,000	64,650	64,650
Ga.	13'6"	35	45	45	18,000	45,000	56,000	56,000
Idaho	12'6"	35	60	65	18,000	45,000	68,000[1]	72,000
Ill.	12'6"	42	45	45	18,000	45,000	59,000	72,000
Ind.	12'6"[6]	36	50	50	18,000	45,000	72,000[1]	72,000
Iowa	12'6"	35	45[2]	45	18,000	45,000	60,800[1]	60,800
Kans.	12'6"[6]	35	50	50	18,000	45,000	63,890[1]	63,890
Ky.	12'6"	35	45	N.P.	18,000	42,000D	42,000 D	N.P.
La.	12'6"	35	50	60	18,000	36,000[13]	64,000[13]	68,000[13]
Me.	12'6"	45	45	45[4]	22,000	50,000	50,000	50,000
Md.	N.S.	55	55	55	22,400[5]	52,800	63,750[1]	67,500
Mass.	N.S.	35	45	N.P.	22,400	50,000	50,000	N.P.
Mich.	12'6"[6]	35	50	50	18,000	45,000	67,000[1]	110,000
Minn.	12'6"	40	45	45	18,000	45,000	60,000[1]	60,000
Miss.	12'6"	35	45	45	18,000	45,000	52,650	52,650
Mo.	12'6"	35	45	45	18,000	42,000	56,000	56,000
Mont.	13'6"	35	60	60	18,000	45,000	71,900[1]	73,280
Nebr.	12'6"	35	50	50	18,000	45,000	64,650[1]	64,650
Nev.	N.S.	N.R.	N.R.	N.R.	18,000	45,000	69,300[1]	76,800
N. H.	13'6"	35	45	45	22,000	50,000	50,000	50,000
N. J.	12'6"	35	45	50	N.S.[8]	60,000	60,000	60,000
**	13'6"	35	45	50	22,400	60,000	60,000	60,000
N. Mex.	12'6"	40	65	65	18,000	45,000	65,200[1]	75,000
N. Y.	13'	35	50	50	22,400[9]	52,800[9]	63,750	63,750
N. C.	12'6"	35	48	48	18,000[9]	44,000[9]	58,800[9a]	58,800[9a]
N. Dak.	12'6"	35	45	45	18,000	45,000	60,000[1]	60,000
Ohio	12'6"	35	45[2]	60	19,000	45,000	70,000[5a]	78,000[5a]
Okla.	12'6"[6a]	35	50[2]	50	18,000	45,000	60,000[1]	60,000
Ore.	11'	35	60[2]	60	18,000	45,000	64,350[1]	72,000
Pa.	12'6"[6]	35	45	50	20,000	45,000	45,000	62,000
R. I.	12'6"	35	45	45	22,400	50,000	50,000	80,000
**		40	50	50	22,400	56,000	56,000	60,000
S. C.	12'6"	40[7]	50	50	20,000[11]	52,800[11]	71,115[11]	71,115[11]
S. Dak.	13'	35	50	50	18,000	45,000	64,650[1]	64,650
Tenn.	12'6"	35	45[2]	45	18,000	42,000	42,000	42,000
Tex.	13'6"	35	45[2]	45	18,000	45,000	48,000	48,000
Utah	14'	45	60[2a]	60	18,000	45,000	72,250[1]	79,900

Sheet 2

TABLE NO. 23

STATE	HEIGHT	LENGTH			Maximum Axle Load in pounds	Maximum* Gross Weight in Pounds		
		Single Unit	Tractor Semi-Trai.	Combination		Tractor Single Axle	Semitrailer Tandem	Combination
Vt.	12'6"	50	50	50	N.S.	50,000	50,000	50,000
Va.	12'6"	35	45	45	16,000	35,000	35,000	35,000
Wash.	12'6"	35	60 b	60	18,000	45,000	68,000	72,000
W. Va.	12'6"	35	45	45	18,000 to 22,000	40,000 to 52,000	80,000	80,000
Wis.	12'6"	35	45	45	19,000	46,000	66,000	66,000
Wyo.	12'6"	40	60	60	18,000	45,000	65,800	73,950

FOOTNOTES:

* Maximum practical gross

**--N. J. --effective 1-1-51

**--R. I. --effective 11-1-50

D --On designated highways

T Temporary

N. R. --No restriction

N. P. --Not permitted

N. S. --Not specified

S --Based on tire size

1. --Computation based on three-axle tractor tandem axle semitrailer.
2. --Trailers limited to 35 feet. 2a. --Trailers limited to 45 feet. 2b.--Trailers limited to 40 feet.
3. --Tandem axles limited to 18,000 pounds each axle.
4. -- Height and length limits subject to 1 foot 6 inches tolerance.
5. --Tandem axles limited to 18,000 pounds each axle if less than 50 inches apart.

5a. --Based on tandem axles spaced more than four feet apart.

6. --Auto transporters allowed 13 feet 6 inches.

6a. --Auto transporters allowed 13 feet.

7. --Vehicles over 35 feet must have three axles.
8. --Restriction is on wheel load and is based on tire size.
9. --Plus 5 percent overload allowance-also truck must have 300 cubic inch motor.

9a. --350 cubic inch motor.

10. --Exclusive of couplings.
11. --Gross weights include 10 percent tolerance.
12. --Highway department may designate road on which 18,000-pound axle loads and 40,000-pound gross loads are permitted on three-axle vehicles, 50,000 pounds on four or more axles.
13. --Plus weight on front axle.

Source: Truck-Trailer Manufacturers Assn. Inc.

2. Montana, should increase the size of enforcement staffs, should purchase a sufficient number of portable scales, and should construct the stationary scales necessary for effective enforcement of size and weight laws.

3. Montana, in the interests of safety, should enforce the speed restrictions. Careful considerations also should be given, after proper engineering and traffic investigation, to establishing of special speed limits or speed zones for moror trucks.

SYSTEMS

We believe that too much mileage has been built to 7 percent standards and that a sizeable percentage of it cannot be justified since the 1949 traffic flow map, Map No. 3 shows that some of our paved 7 percent system carried as little as 115 automobiles per twenty-four hour period whereas; at least, 565 cars per day are necessary to retire the state's share of the investment in 20 years.* We are told that it takes 200 cars per twenty-four hour period to keep a primary road from deteriorating. We doubt if any road can be justified as legitimate 7 percent highway it if cannot pay for its maintenance and be amortized over a period of not to exceed twenty years. Table No. 24 shows that Montana's citizens expended $205,273,109.99 on highways from April 21, 1913 to June 30, 1949. This is a sizeable expenditure for a State with 587,000 people, and we believe that the people are entitled to have their investment maintained, improved and expanded as efficiently as possible.

Map.No. 4 shows how difficult it is to build, maintain and then justify highways to 7 percent standards. You will note that the number of people per mile of primary highway ranges from 19 in Garfield County to 821 in Silver Bow County. And you will note that 70% of the people in Mineral County live within one mile of the primary highway, whereas only 12.8% of the people in Carter County live within one mile of the primary system.

This means that Montana must have not only a primary system, but a substantial mileage of secondary--or farm to market roads, in order to serve all its residents at least reasonably well.

HIGHWAY FACILITIES

Table No. 25 shows that Montana has $1,296,282.83 in highway buildings and facilities and shows the details of the expenditures for the ten fiscal years 1940-1949. Table No. 26 shows that the present value of the highway equipment is $1,800,941.40 and shows the expenditures for the ten fiscal years 1940-1949.

CONSTRUCTION COSTS

Table No. 27 shows that the unit bid prices on some of the large items of highway construction increased from a unit cost of 100 in 1929 to 300 in 1949.

* Acting Secy. Montana Highway Commission letter Aug. 7, 1950.
See Appendix 1.

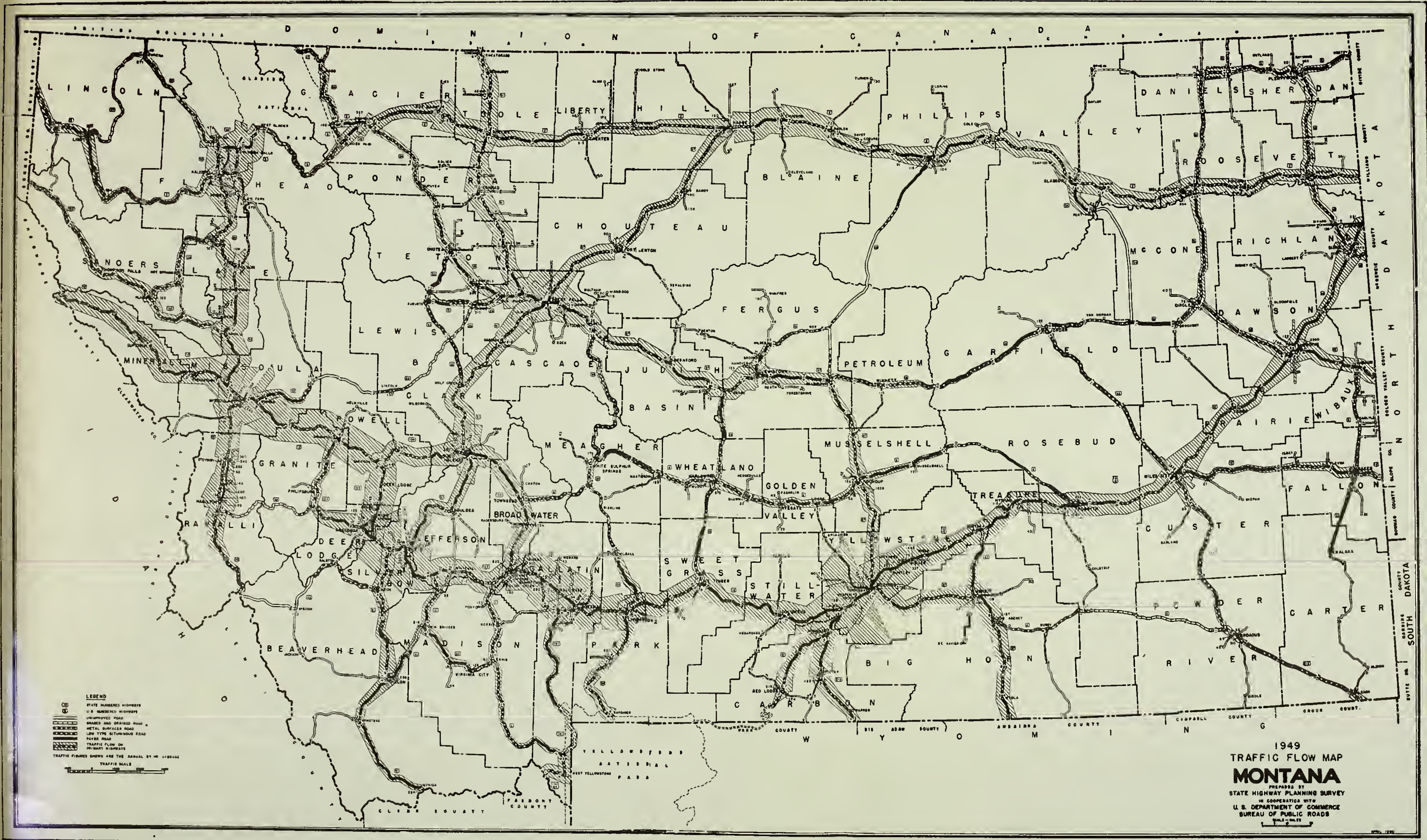
MONTANA STATE HIGHWAY DEPARTMENT

TABLE NO. 24

SOURCES OF TOTAL REVENUE FROM APRIL 21, 1913 to JUNE 30, 1949

SOURCE OF FUNDS	AMOUNT	%
Gasoline Tax Receipts	$ 93,973,037.94	45.78
Federal Aid & Other Federal Funds	82,197,357.71	40.04
Proceeds of Bond Sales	19,500,000.00	9.50
County Payments	5,798,962.38	2.83
Motor Vehicle License Fees	1,813,936.26	.88
U. S. Oil Royalties	1,278,971.30	.62
Miscellaneous Receipts	710,844.40	.35
TOTAL	$205,273,109.99	100.00%


DOMINION OF CANADA
BRITISH COLUMBIA
ALBERTA
SASKATCHEWAN
LINCOLN 35.4% (45)
GLACIER (55)
TOOLE (79) 20.4%
LIBERTY 38.4% (89)
HILL 21.7% (167)
BLAINE 15.9% (177)
PHILLIPS 8.5% (68)
VALLEY 18.0% (152)
DANIELS 29.1% (100)
SHERIDAN 14.8% (103)
ROOSEVELT 20.4% (67)
FLATHEAD 43.7% (124)
PONDERA 28.4% 17.6% (129)
CHOUTEAU 7.4% (102)
TETON 17.8% (78)
SANDERS 42.0% (47)
LAKE 27.6% (158)
LEWIS & CLARK 30.8% (119)
CASCADE 41.7% (211)
FERGUS 15.7% (76)
PETROLEUM 25.0% (27)
GARFIELD 36.1% (19)
McCONE 19.0% (27)
RICHLAND 20.5% (129)
DAWSON 23.5% (84)
WIBAUX 10.5% (56)
MINERAL 70.0% (28)
MISSOULA 64.2% (241)
JUDITH BASIN 14.4% (60)
POWELL (67)
GRANITE 59.6% (37)
MEAGHER 27.9% (22)
WHEATLAND 20.7% (42)
GOLDEN VALLEY 13.7% (57)
MUSSELSHELL 55.8% (58)
ROSEBUD (44)
PRAIRIE 23.1% (87)
FALLON 12.4% (44)
RAVALLI 37.1% (119)
DEER LODGE 60.7% (214)
SILVER BOW 54.8% (821)
JEFFERSON 39.7% (44)
BROADWATER 21.5% (43)
GALLATIN 29.5%
SWEET GRASS 10.3% (58)
STILLWATER 17.4% (150)
YELLOWSTONE 43.3% (308)
TREASURE 38.5% (52)
CUSTER 22.9% (65)
BEAVERHEAD 19.1% (45)
MADISON 27.5% (41)
PARK 40.1% (95) (131)
CARBON 39.2% (133)
BIG HORN 33.8% (74)
POWDER RIVER 18.6% (35)
CARTER 12.8% (66)
IDAHO
WYOMING
NORTH DAKOTA
SOUTH DAKOTA
YELLOWSTONE NATIONAL PARK
GRAPHIC PRESENTATION OF COUNTY POPULATION PER MILE OF PRIMARY HIGHWAY IN COUNTY
(133) NUMBER OF PERSONS PER MILE OF PRIMARY HIGHWAY IN COUNTY
39.2% PER CENT OF TOTAL COUNTY RURAL POPULATION RESIDENT WITHIN ONE MILE OF PRIMARY HIGHWAYS
BASED ON 1940 CENSUS
MAP OF
MONTANA
PREPARED BY
STATE HIGHWAY PLANNING SURVEY
IN COOPERATION WITH
U.S. DEPARTMENT OF COMMERCE
BUREAU OF PUBLIC ROADS


DOMINION OF CANADA
LINCOLN
GLACIER
TOOLE
LIBERTY
HILL
PHILLIPS
VALLEY
DANIELS
SHERIDAN
ROOSEVELT
FLATHEAD
PONDERA
BLAINE
CHOUTEAU
TETON
SANDERS
LAKE
McCONE
RICHLAND
LEWIS & CLARK
CASCADE
FERGUS
JUDITH BASIN
PETROLEUM
GARFIELD
DAWSON
MINERAL
MISSOULA
POWELL
MEAGHER
WHEATLAND
MUSSELSHELL
ROSEBUD
PRAIRIE
WIBAUX
GRANITE
GOLDEN VALLEY
TREASURE
FALLON
RAVALLI
BROADWATER
DEER LODGE
JEFFERSON
SILVER BOW
GALLATIN
SWEET GRASS
STILLWATER
YELLOWSTONE
CUSTER
POWDER RIVER
CARTER
BEAVERHEAD
MADISON
PARK
CARBON
BIG HORN
WYOMING
NORTH DAKOTA
SOUTH DAKOTA
IDAHO
YELLOWSTONE NATIONAL PARK
LEGEND
1949
TRAFFIC FLOW MAP
MONTANA
PREPARED BY
STATE HIGHWAY PLANNING SURVEY
IN COOPERATION WITH
U. S. DEPARTMENT OF COMMERCE
BUREAU OF PUBLIC ROADS

STATEMENT OF ANNUAL EXPENDITURES FOR BUILDINGS

TABLE NO. 25

Fiscal Year	New Buildings, Storage Sand Houses, etc.	Fuel Oil Storage Facilities	New Oil Storage Facilities	Total
1940	56,430.92	604.54	3,162.97	60,198.43
1941	82,461.95	1,466.55	6,687.29	90,615.79
1942	9,031.69	2,245.59	4,941.05	16,218.33
1943	8,345.22	302.62	374.36	9,022.20
1944	7,203.34	120.53	1,911.41	9,235.28
1945	1,912.07	646.61	3,490.11	6,048.79
1946	12,162.42	460.77	5,220.49	17,843.68
1947	139,639.36	285.76	589.26	140,514.38
1948	208,622.00	3,379.47	45,293.71	257,295.18
1949	59,578.65	7,048.88	19,786.11	86,413.64
TOTAL	$585,378.62	$16,561.32	$91,456.76	$693,405.70

Present Value of All Buildings -- $1,296,282.83

TABLE NO. 26

STATEMENT OF ANNUAL EXPENDITURES FOR EQUIPMENT

Fiscal Year	Equipment Rentals Earned	Equipment Repair Costs	Excess of Rentals Over Repairs	New Equipment Purchased	Credit Or Deficit For Year	Accumulated Credit Or Deficit
1940	573,259.55	388,081.18	185,178.37	191,886.78	6,708.41 Dr.	51,158.92 Dr.
1941	572,935.65	375,492.27	197,443.38	157,711.66	39,731.82 Cr.	11,427.10 Dr.
1942	572,995.92	392,288.00	180,707.92	176,819.82	3,888.10 Cr.	7,539.00 Dr.
1943	484,871.62	379,440.45	105,431.17	10,411.70	95,0.9.47 Cr.	87,480.47 Cr.
1944	526,637.32	438,062.39	88,574.93	29,550.32	59,024.61 Cr.	146,505.08 Cr.
1945	525,460.94	461,078.18	64,382.76	124,758.37	60,375.61 Dr.	86,129.47 Cr.
1946	588,247.72	536,077.24	52,170.48	143,553.88	91,383.40 Dr.	5,253.93 Dr.
1947	865,122.50	623,714.58	241,407.92	549,487.51	308,079.59 Dr.	313,333.52 Dr.
1948	1,190,536.30	769,854.10	420,682,20	939,575.44	518,893.24 Dr.	832,226.76 Dr.
1949	1,519,198.45	882,208.80	636.989.65	355,432.32	281,557.33 Cr.	550,669.43 Dr
TOTAL	7,419,265.97	5,246,297.19	2,172,968.78	2,679,187.70	506,218.92 Dr.	550,669.43 Dr.

Present Value of Equipment -- $1,800,941.40

TABLE NO. 27

HIGHWAY CONSTRUCTION COST INDEX

Unit Bid Price
Base Year - 1929

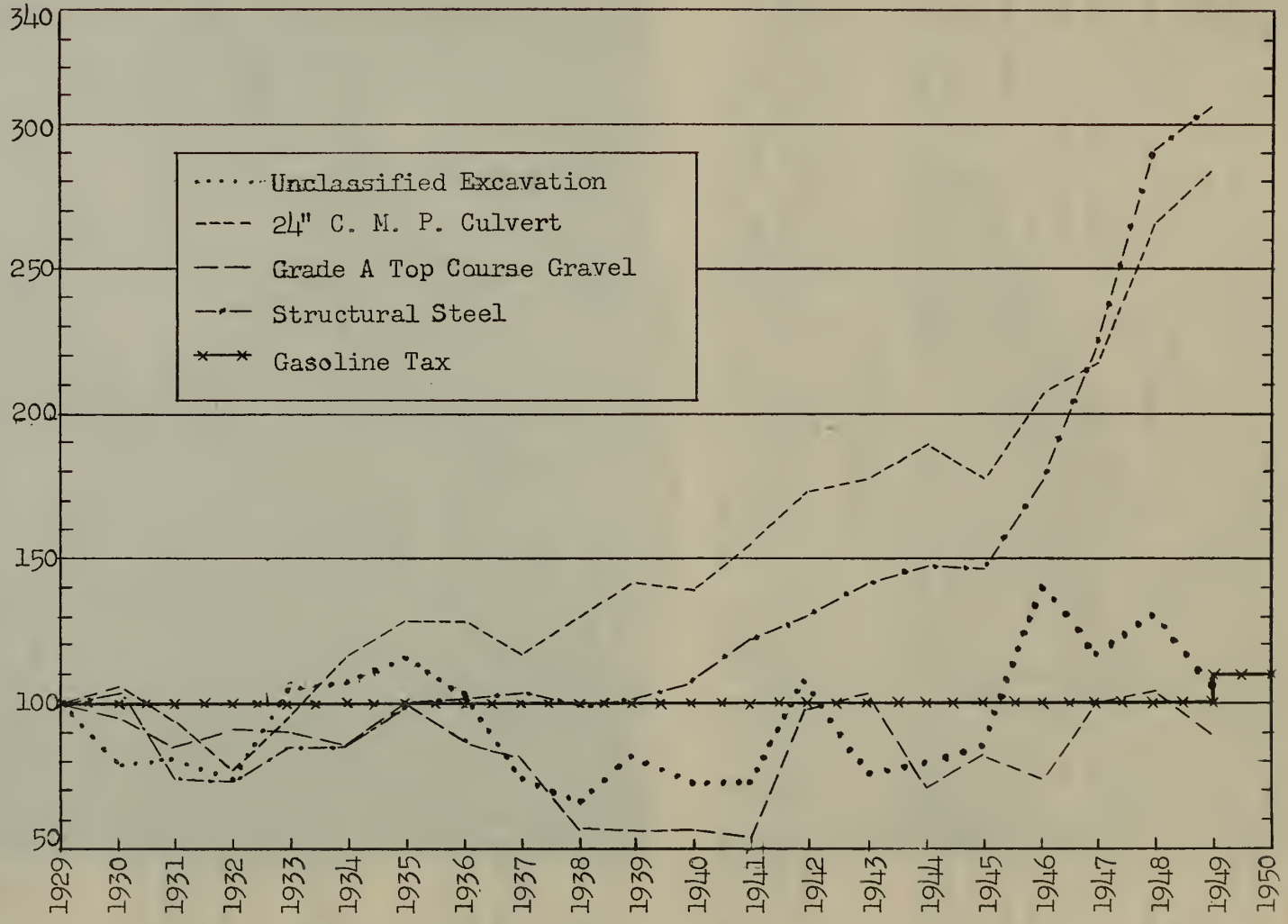


Table No. 28 shows that the highway cost per mile of primary construction was approximately $7,500 in 1929 as compared to approximately $31,000 per mile in 1949. Secondary construction has increased from approximately $7,500 per mile in 1933 to $14,000 per mile in 1949. There are two reasons for the tremendous increase in the cost per mile of road construction. One of these is the general increase in the costs of various items necessary to construct roads such as labor, oil, steel, equipment, supplies, etc. The second reason why construction costs increased so tremendously is that 1949 highway standards have been raised to meet the current requirements of larger, heavier loads in vehicles and greater speed. If a road were constructed today on 1929 standards it would be completely obsolete the day it was finished. The surfaced width of primary highways has been increased from an average minimum of 12 feet in 1929 to an average minimum of 22 feet in 1949. Traffic conditions have made it necessary to raise all the specifications in highway construction.

INCREASED COSTS

Everyone is familiar with the increases which have taken place in the cost of equipment and supplies and the Highway Department is no different from an individual business or housewife running her own home. All have had the value of their dollar reduced by approximately 50 per cent.

$5,134,679.00 NECESSARY

You will note that the amount available for matching Federal Aid for highway construction, after deducting various expense items, is $6,716,800. Table No. 15. Of this amount $4,400,000 (Table No. 14) has been provided by the debenture bond sales, and $1,368,000 (Sheet 3, Table No. 15)is revenue from temporary sources, which leaves a balance of $948,800 with which to match Federal Aid, whereas, $6,083,479 is required if we are to match our allotment of Federal Aid. Therefore, we will have to raise $5,134,679.00.

TEMPORARY REVENUE

Table No. 15, Sheet 3

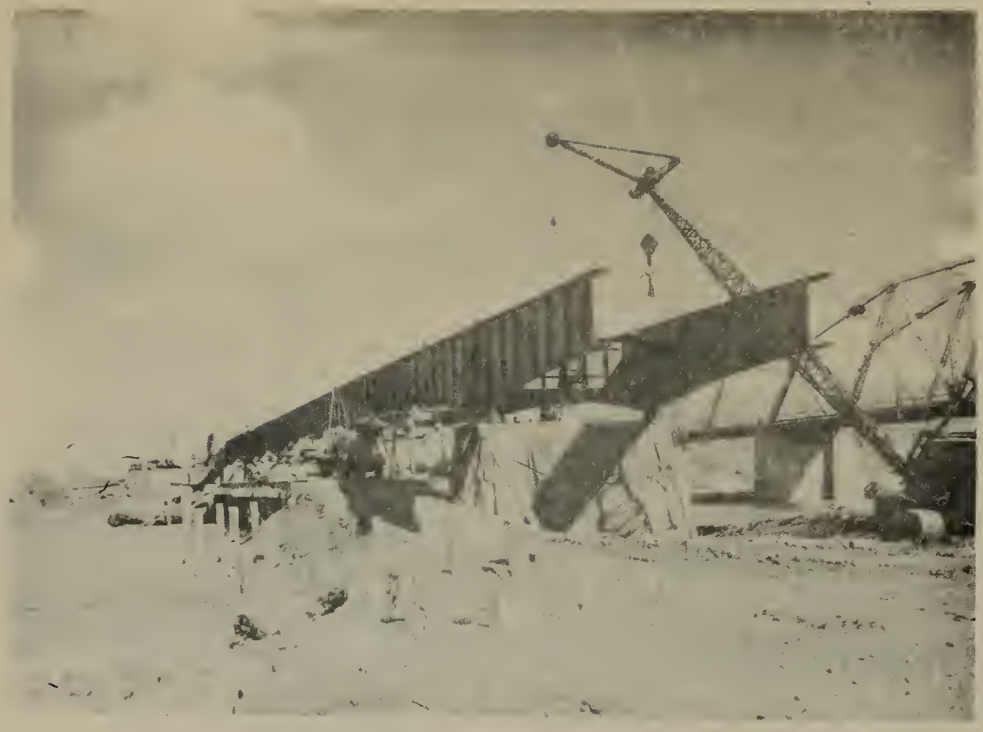
We have referred to the measures which were passed during the final hours of the 1949 Legislature to salvage the highway program for the ensuing biennial.

During the first six months of 1950 the highway fund received $1,359,660 from use taxes which will expire Dec. 31, 1951. This was 62.94% of the increased revenue resulting from the 1949 legislation.* Unless other revenue measures are enacted and before any of these are allowed to lapse they should be seriously considered.

POSSIBLE SOURCES OF NEW REVENUE

There are various means of raising the additional revenue.** The first would be to increase the tax on gasoline 1½ cents. However, there should be no refund to anyone of this 1½ cents and without a refund it would raise approximately $3,375,000. We must be careful not to increase the tax on gasoline to a level which will result in diminishing returns because of buyer resistance. We must

* Acting Secy. Highway Commission letter 9/6/50. App. 2.
** (See Table No. 29)



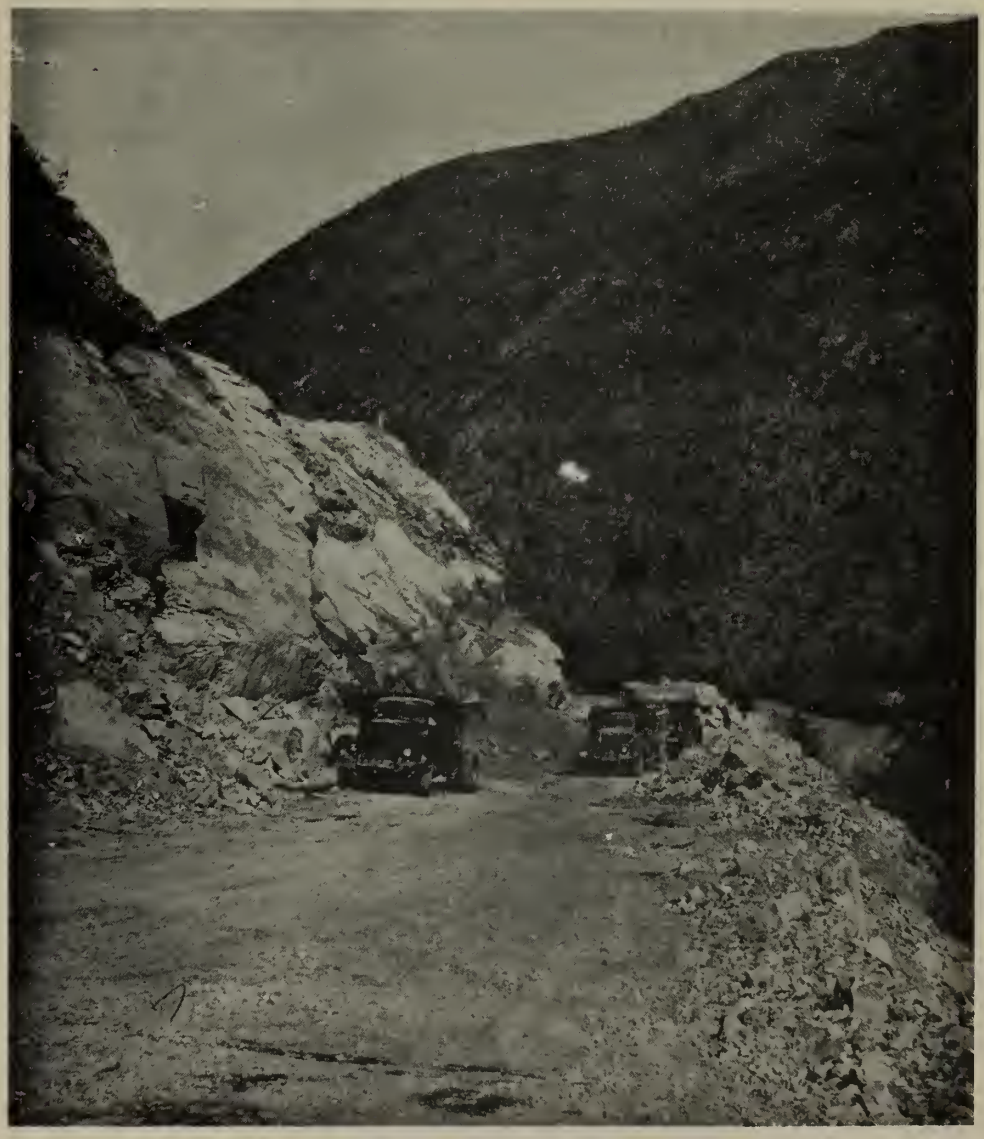
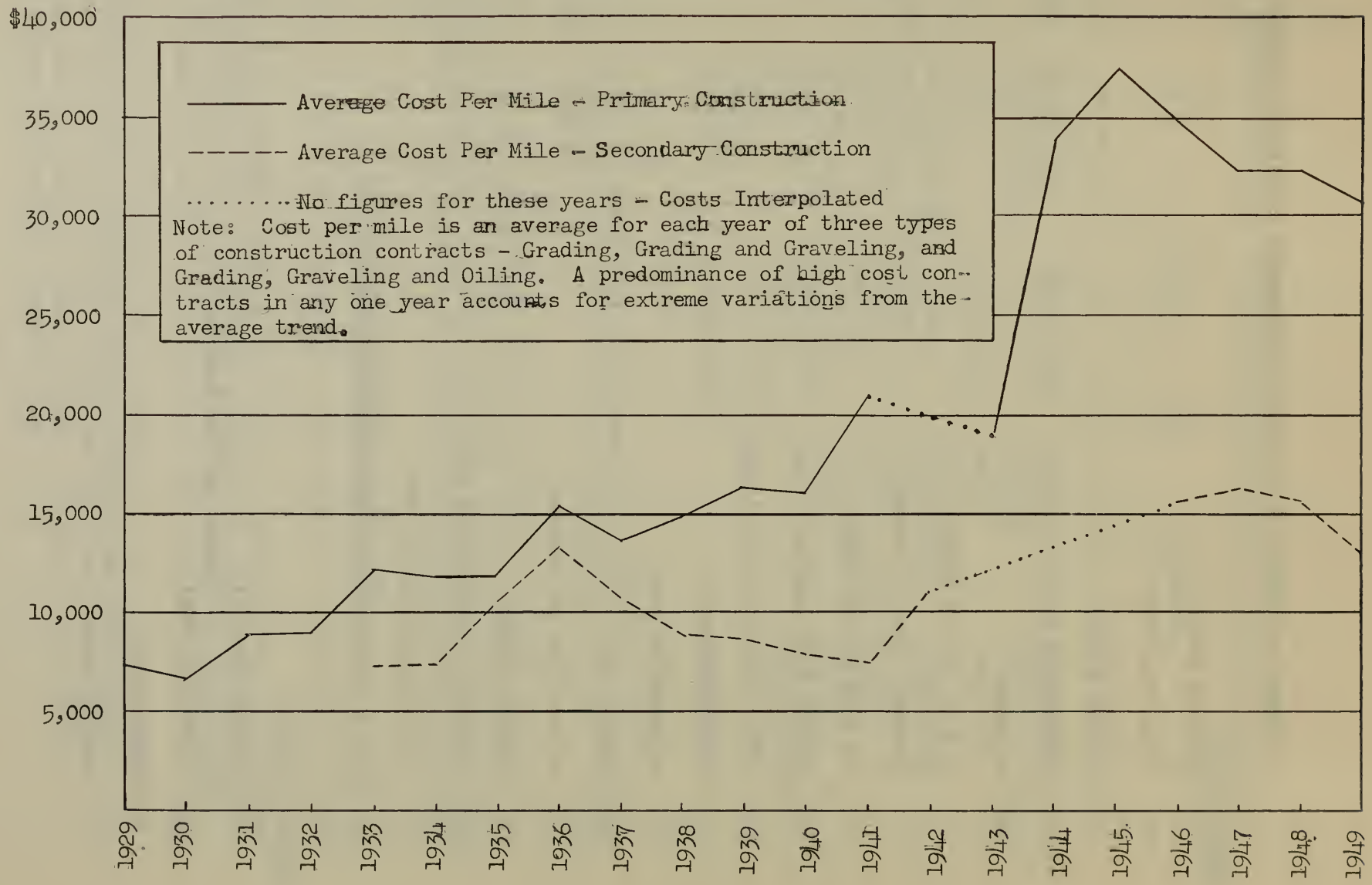


TABLE NO. 28

HIGHWAY CONSTRUCTION - COST PER MILE

Primary and Secondary Systems



SOURCES OF REVENUE FOR HIGHWAY DEPARTMENTS IN VARIOUS STATES

TABLE NO. 29

1. Gasoline Tax
2. Diesel Fuel Tax
3. License Plates
4. Chaffeuer's fees
5. Sales Tax
6. G. V. W. Tax on Trucks
7. Increment Tax on Trucks
8. Ton Mile Tax on Trucks
9. General fund appropriations
10. General property mill levies
11. Town Assessments
12. Registration Fees
13. Federal Aid
14. Property Tax on Vehicles
15. Sale of Bonds
16. Production or Severence Tax
17. Motor Vehicle Carrier Tax
18 Special assessment for improvement districts

MONTANA SOURCES

1. Gasoline Tax)
) Motor Vehicle Fuel Tax
2. Diesel Fuel Tax)
3. Federal Aid
4. Sale of Bonds

also be mindful of gasoline tax rates in the rest of the country and we must especially consider the rates in our neighboring states, which are as follows:

Washington	6½¢	Utah	4¢	S. Dakota	4¢
Idaho	6 ¢	Wyoming	4¢	Minnesota	5¢
Oregon	6 ¢	N. Dakota	4¢	Colorado	6¢

Following is a tabulation of the rates in effect throughout the United States:

2 ¢ per Gal.	4¢ per Gal.	4½¢ per Gal.	6¢ per Gal.	6½¢ per Gal.
Missouri**	Connecticut	California	Alabama	Arkansas
	Dist. of Col.		Colorado	Oklahoma (6.58¢)
3¢ per Gal.	Indiana	5¢ per Gal.	Idaho	Washington
	Iowa		Maine	
Illinois	New Hampshire	Arizona	Mississippi	7¢ per Gal.
Massachusetts	New York	Delaware	Montana	
Michigan	North Dakota	Kansas	Oregon	Florida
New Jersey	Ohio	Maryland	South Carolina	Georgia
	Rhode Island	Minnesota	Virginia	Kentucky
	South Dakota	Pennsylvania		New Mexico
	Texas	Vermont		North Carolina
	Utah	West Virginia		Tennessee
	Wisconsin			
	Wyoming	5½¢ per Gal.		9¢ per Gal.
		Nevada		Louisiana

While some of Montana's neighboring states have lower fuel taxes, they also use other forms of taxation, such as sales tax, general property tax, etc. to supplement highway revenues.

However, it is at once apparent that an increase of 1½ cents in our gas tax, making a total tax of 7½ cents, would result in our having the second highest gas tax in America. We would be exceeded only by the 9 cent rate effective in Louisiana. It is doubtful if this would be wise or fair to the people of Montana.

5¢ GASOLINE TAX UNCHANGED FOR 20 YEARS

Table No. 16 shows that the gasoline tax remained at 5 cents from 1929 to 1949.

Inview of the increased demands made upon our highways by the advancement of highway vehicles it would not be fair to expect the same 5¢ gasoline tax to pay for the increased costs brought about by the demands of the motorists for wider, straighter, heavier built highways. The gasoline tax was increased

**The gasoline tax isn't the whole story in Missouri. It brings in about 20 million dollars a year. Another 15 million dollars comes from automobile and drivers' licenses fees. Bus and truck fees amount to about $800,000. About half a million comes from other miscellaneous sources. In addition, over fifty cities also collect a gasoline tax.

one cent as of July 1, 1949, however, this is only a 20 per cent increase in the principal source of revenue for the building and maintaining of our highways. During this time the cost of construction on the secondary system has tripled, the cost of construction on the primary system has increased 320 per cent, and the cost of maintenance per mile has more than tripled.

REFUNDS TO NON-HIGHWAY USERS

We believe that it was a mistake for the 1949 Legislature to make this sixth cent subject to refund, since this reduced the net return for the one cent increase by $600,000. Montana has a six cent gas tax but the effective rate is only 4 6/10 cents after allowing for the refund which is an extremely high percentage of gross tax receipts.

Table No. 30 shows the percentage of motor fuel refunded by the various states, and you will note that Montana's percentage of refunds is continually one of the highest. It is especially difficult to explain why Montana should refund approximately 25 percent of the amount collected whereas, our neighbor, Idaho, with approximately the same geography, approximately the same amount of agriculture, sparsely settled, and with about the same number of sizeable cities, refunds only approximately 10 per cent.

In states having similar laws on gasoline-tax refunds, the percentage refunded or exempted in 1949 was as follows:

Percentage Refunded	Number of States
More than 20 per cent	6 (Montana included)
15 to 20 per cent	3
10 to 15 per cent	5
5 to 10 per cent	14
Less than 5 per cent	18

Table No. 31 shows a comparison of the motor fuel tax earnings for the Highway Fund from 1934 to 1949. You will note that the refunds have increased from 14.54 percent in 1934 to 23.81 percent in 1949. If the sixth cent, which was added to the gasoline tax in 1949, were not subject to refund it would add approximately $600,000 to the Highway Fund per year. Many states have a policy of refunding only a part of the tax.* California and Washington collect a state sales tax on the gasoline purchased if a refund of the gasoline tax is paid.

If we increased the gasoline tax from 6 to 7 cents, with no refund on either the sixth or the seventh cent, it would add approximately $2,875,000 to the highway fund, based on 1949 tax collection and refund statistics. We believe this would be a very reasonable and sensible means by which to raise a large portion of the necessary funds.

Gasoline tax may also be considered a form of sales tax and if it is subject to refunds it may be viewed as a sales tax which is partially refunded to special groups and it is not unreasonable to consider it a form of class legislation.

* Permissable in Montana per letter: Att. Gen. Arnold H. Olsen 9/28/49.

TABLE NO. 30

BUREAU OF PUBLIC ROADS
GENERAL SERVICES ADMINISTRATION

RELATIVE AMOUNTS OF MOTOR FUEL EXEMPTED OR REFUNDED FOR ALLEGED NONHIGHWAY USE 1/

TABLE G-240
ISSUED AUGUST 1949

EXEMPTED OR REFUNDED IN PERCENT OF TOTAL MOTOR FUEL CONSUMED DURING YEAR	STATES							
	1941	1942	1943	1944	1945	1946	1947	1948
0 - 4.9	ALABAMA, ARKANSAS, FLORIDA, GEORGIA, KENTUCKY, LOUISIANA, MAINE, MASSACHUSETTS, MISSISSIPPI, NEBRASKA, NEW HAMPSHIRE, NORTH CAROLINA, PENNSYLVANIA, RHODE ISLAND, SOUTH CAROLINA, TENNESSEE, UTAH, VERMONT, WEST VIRGINIA, WYOMING, DISTRICT OF COLUMBIA	ALABAMA, ARKANSAS, FLORIDA, GEORGIA, KENTUCKY, LOUISIANA. MISSISSIPPI, NEBRASKA, PENNSYLVANIA, RHODE ISLAND, SOUTH CAROLINA, UTAH, VERMONT, WEST VIRGINIA, WYOMING	ALABAMA, ARKANSAS, FLORIDA, GEORGIA, KENTUCKY, LOUISIANA, NEBRASKA, PENNSYLVANIA RHODE ISLAND, SOUTH CAROLINA, UTAH, VERMONT, WYOMING, DISTRICT OF COLUMBIA	ALABAMA, ARKANSAS, FLORIDA GEORGIA, KENTUCKY, LOUISIANA, MISSISSIPPI, NEBRASKA, NEW HAMPSHIRE, PENNSYLVANIA, RHODE ISLAND, SOUTH CAROLINA, UTAH, VERMONT, WYOMING, DISTRICT OF COLUMBIA	ALABAMA, ARKANSAS, FLORIDA, GEORGIA, KENTUCKY, LOUISIANA, MAINE, MISSISSIPPI, NEBRASKA, NEW HAMPSHIRE, NORTH CAROLINA, PENNSYLVANIA, RHODE ISLAND, SOUTH CAROLINA, UTAH, VERMONT, WEST VIRGINIA, WYOMING, DISTRICT OF COLUMBIA	ALABAMA, ARKANSAS, CONNECTICUT, GEORGIA, KENTUCKY, LOUISIANA, MAINE, MASSACHUSETTS, MISSISSIPPI, NEBRASKA, NEW HAMPSHIRE, NORTH CAROLINA, PENNSYLVANIA, RHODE ISLAND, SOUTH CAROLINA, TENNESSEE, UTAH, VERMONT, VIRGINIA, WEST VIRGINIA, WYOMING, DISTRICT OF COLUMBIA	ALABAMA, ARKANSAS, CONNECTICUT, GEORGIA, KENTUCKY, LOUISIANA, MAINE, MISSISSIPPI, NEW HAMPSHIRE, NORTH CAROLINA, PENNSYLVANIA, RHODE ISLAND, SOUTH CAROLINA, TENNESSEE, UTAH, VERMONT, WEST VIRGINIA, WYOMING, DISTRICT OF COLUMBIA	ALABAMA, ARKANSAS, CONNECTICUT, GEORGIA, KENTUCKY, LOUISIANA, MISSISSIPPI, NEW HAMPSHIRE, PENNSYLVANIA, RHODE ISLAND, SOUTH CAROLINA, UTAH, VERMONT, WEST VIRGINIA, WYOMING, DISTRICT OF COLUMBIA
5.0 - 9.9	CALIFORNIA, CONNECTICUT, DELAWARE, IDAHO, ILLINOIS, INDIANA, MARYLAND, MICHIGAN, MISSOURI, NEVADA, NEW JERSEY, NEW YORK, OHIO, VIRGINIA, WASHINGTON, WISCONSIN	CONNECTICUT, DELAWARE, MAINE, MARYLAND, MASSACHUSETTS, MICHIGAN, MISSOURI, NEW HAMPSHIRE, NEW YORK, NORTH CAROLINA, TENNESSEE, VIRGINIA, WASHINGTON, WISCONSIN, DISTRICT OF COLUMBIA	DELAWARE, MAINE, MASSACHUSETTS, MICHIGAN, MISSISSIPPI, MISSOURI, NEW HAMPSHIRE, NORTH CAROLINA, TENNESSEE, WASHINGTON, WEST VIRGINIA	DELAWARE, MAINE, MARYLAND, MASSACHUSETTS, MISSOURI, NORTH CAROLINA, TENNESSEE, VIRGINIA, WASHINGTON, WEST VIRGINIA	CONNECTICUT, DELAWARE, MAINE, MARYLAND, MASSACHUSETTS, MISSOURI, NEW YORK, OHIO, TENNESSEE, VIRGINIA, WASHINGTON	ARIZONA, DELAWARE, FLORIDA, IDAHO, MARYLAND, MISSOURI, NEVADA, NEW JERSEY, NEW YORK, OHIO, WASHINGTON	ARIZONA, CALIFORNIA, DELAWARE, FLORIDA, MARYLAND, MASSACHUSETTS, MISSOURI, NEBRASKA, NEVADA, NEW JERSEY, NEW YORK, OHIO, VIRGINIA, WASHINGTON	ARIZONA, CALIFORNIA, DELAWARE, FLORIDA, MAINE, MARYLAND, MASSACHUSETTS, MISSOURI, NEBRASKA, NEVADA, NEW JERSEY, NEW YORK, NORTH CAROLINA, OHIO, TENNESSEE, VIRGINIA, WASHINGTON
10.0 - 14.9	ARIZONA, COLORADO, MINNESOTA, NEW MEXICO, OKLAHOMA, OREGON, TEXAS	ARIZONA, CALIFORNIA, COLORADO, IDAHO, ILLINOIS, INDIANA, NEVADA, NEW JERSEY, NEW MEXICO, OHIO, OREGON	CALIFORNIA, CONNECTICUT, IDAHO, ILLINOIS, MARYLAND, NEW YORK, OHIO, VIRGINIA	ARIZONA, CALIFORNIA, CONNECTICUT, IDAHO, MICHIGAN, NEW JERSEY, NEW YORK, OHIO, WISCONSIN	ARIZONA, CALIFORNIA, IDAHO, INDIANA, NEVADA, NEW JERSEY, NEW MEXICO, OREGON	CALIFORNIA, ILLINOIS, INDIANA, MICHIGAN, NEW MEXICO, OREGON, WISCONSIN	IDAHO, ILLINOIS, INDIANA, NEW MEXICO, OREGON, WISCONSIN	IDAHO, ILLINOIS, INDIANA, MICHIGAN, NEW MEXICO, OREGON, WISCONSIN
15.0 - 19.9	IOWA	IOWA, MINNESOTA, TEXAS	ARIZONA, COLORADO, INDIANA, NEVADA, NEW JERSEY, NEW MEXICO, OREGON, TEXAS, WISCONSIN	COLORADO, ILLINOIS, INDIANA, NEVADA, NEW MEXICO, OREGON TEXAS	COLORADO, ILLINOIS, MICHIGAN TEXAS, WISCONSIN	COLORADO, MINNESOTA, TEXAS	COLORADO, MICHIGAN, 2/ NORTH DAKOTA, TEXAS	COLORADO, TEXAS
20.0 - 24.9	MONTANA, SOUTH DAKOTA	MONTANA, OKLAHOMA, SOUTH DAKOTA	MINNESOTA, OKLAHOMA	MINNESOTA	MINNESOTA, OKLAHOMA	MONTANA, OKLAHOMA	MINNESOTA, MONTANA, OKLAHOMA	MINNESOTA, OKLAHOMA
25.0 - 29.9	KANSAS		IOWA, MONTANA	IOWA, OKLAHOMA	IOWA, MONTANA	IOWA	IOWA, SOUTH DAKOTA	IOWA, MONTANA
30.0 - 34.9		KANSAS	SOUTH DAKOTA	MONTANA, SOUTH DAKOTA		KANSAS, SOUTH DAKOTA	KANSAS	KANSAS, SOUTH DAKOTA
35.0 - 39.9			KANSAS		KANSAS, SOUTH DAKOTA			
40.0 - 44.9	NORTH DAKOTA			KANSAS				
45.0 - 49.9								NORTH DAKOTA
50.0 - 54.9		NORTH DAKOTA						
55.0 - 59.9			NORTH DAKOTA			NORTH DAKOTA		
60.0 - 64.9				NORTH DAKOTA	NORTH DAKOTA			

1/ SOME STATES DO NOT ALLOW FULL REFUND OR EXEMPTION FOR ALLEGED NONHIGHWAY USE. GALLONAGE ON WHICH PARTIAL REFUNDS OR EXEMPTIONS WERE ALLOWED IS CLASSIFIED AS REFUNDED OR EXEMPTED. THIS TABLE DOES NOT INCLUDE EXEMPTED OR REFUNDED USE BY FEDERAL GOVERNMENT.

2/ NORTH DAKOTA CHANGED FROM EXEMPTIONS TO REFUNDS EFFECTIVE JANUARY 1, 1947, BUT REFUND PAYMENTS DID NOT BEGIN UNTIL MAY. THE PERCENTAGE OF REFUNDS FOR 1947 IS THEREFORE BASED ON THE TAXED GALLONAGE FOR THE FULL YEAR, AND REFUNDS FOR ONLY PART OF A YEAR.

P-7188

MONTANA HIGHWAY DEPARTMENT

HIGHWAY PLANNING SURVEY

COMPARISON OF MOTOR FUEL TAX EARNINGS

1934 to 1950

MONTH	1949						1950						PCT. CHANGE FOR MONTH			PCT. CHANGE TO DATE		
	COLLECTIONS				REFUNDS		COLLECTIONS				REFUNDS		COLLECTIONS		REFUNDS	COLLECTIONS		REFUNDS
	GROSS FOR MONTH	ACCUM. TOTAL	NET FOR MONTH	ACCUM. TOTAL	FOR MONTH	ACCUM. TOTAL	GROSS FOR MONTH	ACCUM. TOTAL	NET FOR MONTH	ACCUM. TOTAL	FOR MONTH	ACCUM. TOTAL	GROSS PCT.	NET PCT.	PCT.	GROSS PCT.	NET PCT.	PCT.
JANUARY	$ 617,092	$ 617,092	$ 446,826	$ 446,826	$ 170,266	$ 170,266	$ 759,539	$ 759,539	$ 567,594	$ 567,594	$ 191,945	$ 191,945	↗ 23.08	↗ 27.03	↗ 12.73	↗ 23.08	↗ 27.03	↗ 12.73
FEBRUARY	513,287	1,130,379	431,915	878,741	81,372	251,638	692,633	1,452,172	563,897	1,131,491	128,736	320,681	↗ 34.94	↗ 30.56	↗ 58.21	↗ 28.47	↗ 28.76	↗ 27.44
MARCH	478,703	1,609,082	429,618	1,308,359	49,085	300,723	609,011	2,061,183	527,932	1,659,423	81,079	401,760	↗ 27.22	↗ 22.88	↗ 65.18	↗ 28.10	↗ 26.83	↗ 33.60
APRIL	693,440	2,302,522	647,333	1,955,692	46,106	346,829	855,224	2,916,407	793,940	2,453,363	61,285	463,045	↗ 23.33	↗ 22.65	↗ 32.92	↗ 26.66	↗ 25.45	↗ 33.51
MAY	1,119,891	3,422,413	997,084	2,952,776	122,808	469,637	1,128,773	4,045,180	1.039,882	3,493,245	88,891	551,936	↗ 00.79	↗ 04.29	- 27.62	↗ 18.20	↗ 18.30	↗ 17.52
JUNE	976,057	4,398,470	741,470	3,694,246	234,587	704,224												
JULY	1,271,270	5,669.740	1,017,362	4,711,608	253,908	958,132												
AUGUST	1,292,412	6,962,152	1,005,616	5,717,224	286,796	1,244,928												
SEPTEMBER	1,596,313	8,558,465	1,124,496	6,841,720	471,817	1,716,745												
OCTOBER	1,129,919	9,688,384	661,206	7,502,926	468,713	2,185,458												
NOVEMBER	962,195	10,650,579	678,330	8,181,256	283,865	2,469,323												
DECEMBER	923,990	11,574,569	637,948	8,819,204	286,042	2,755,365												

YEARLY COLLECTIONS AND REFUNDS

YEAR	GROSS	NET	REFUNDS
1934	$ 4,208,556	$3,596,031	$ 612,525
1935	4,740,462	3,844,542	895,920
1936	5,249,556	4,455,251	794,305
1937	5,423,943	4,580,875	843,068
1938	5,490,503	4,451,690	1,038,813
1939	5,887,321	4,800,352	1,086,969
1940	6,378,039	5,068,305	1,309,734
1941	6,877,764	5,467,841	1,409,923
1942	6,096,384	5,206,027	890,357
1943	5,089,633	3,600,681	1,488,952
1944	5,440,738	3,908,372	1,532,366
1945	6,278,017	4,485,773	1,792.244
1946	8,185,528	6,158,300	2,027,228
1947	9,221,998	6,862,836	2,359,162
1948	10,084,529	7,428,767	2,655,762
1949	11,574,569	8,819,204	2,755,365

COMPARISON OF FUEL TAX EARNINGS TO THE HIGHWAY FUND 1934 - 1949

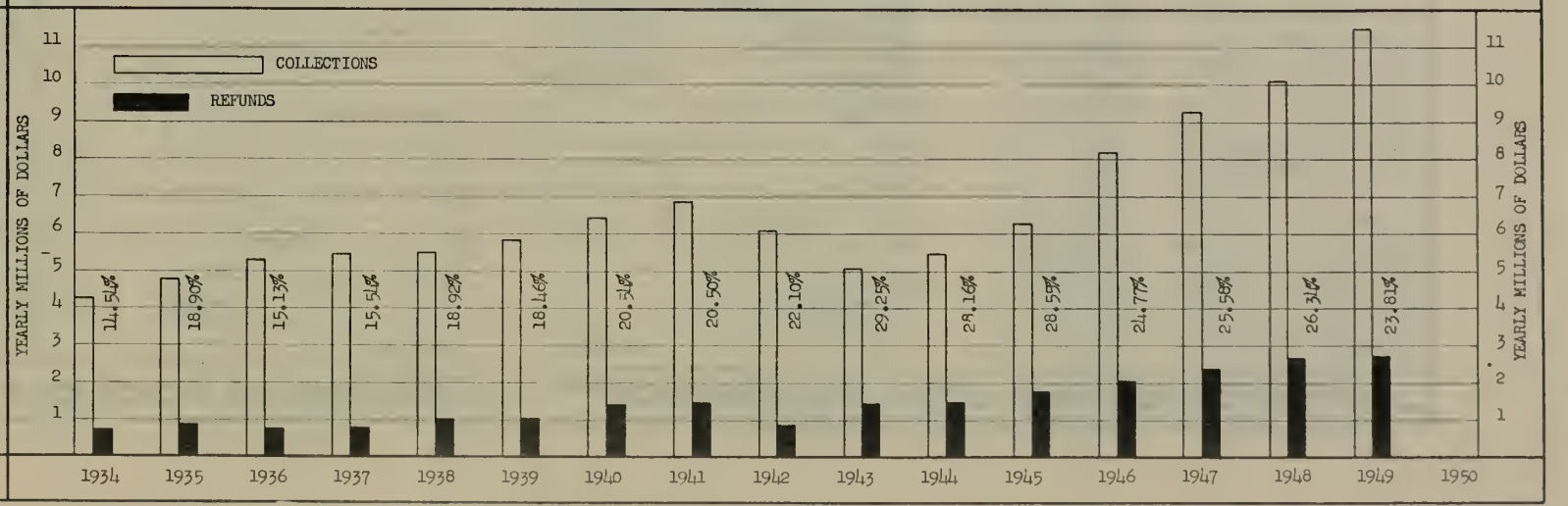


TABLE NO. 31

MONTANA CITIES GET NO GAS TAX MONEY

Montana is fortunate in that there are no cities which demand a share of gasoline tax collections, or impose gasoline taxes for street construction. None of our gas tax money goes to build city streets as is the case in many states. Since the city and town folks must pay all the gas tax without any refunds it is very questionable as to the fairness of any but a very small percentage of gas tax refund for anyone else.

If we continue to pay large refunds to some groups, in fairness to all, we will have to increase the list of those entitled to refunds, or allot a percentage of the motor fuel tax to build municipal streets. Many urban dwellers rarely operate their cars on highways constructed by gasoline tax funds.

In some states the motor fuel tax is divided as follows:

Primary Highway System	1/3
Secondary Highway System	1/3
Municipal Streets	1/3

INITIATIVE OR REFERENDUM

Some organizations have suggested that we recommend the institution of an initiative measure, or recommend to the Legislature that they ask for a referendum to entirely eliminate gasoline tax refunds. This is based on the feeling that the refunds have been exorbitant and that the refund privilege has been abused. If the refunds were eliminated, you will note from Table No 31, it would add $2,900,000 to the funds available for construction, since that is the approximate amount which will be refunded during the fiscal year 1950. This procedure would involve an election campaign and of course the outcome would be questionable. This might postpone for several months, or even two or three years, the getting of the necessary additional highway funds. Furthermore, your Committee doubts that this would be fair to a large number of our citizens. It is quite possible that an initiative or referendum of this type would pass, since there are many more voters living in cities or towns than there are living in the country, and, as stated before, the urban residents travel a very high percentage of their miles on roads and streets which receive no benefit from the gasoline tax. We considered but did not recommend this suggestion.

ABANDON SECONDARY PROGRAM

Another suggestion which has been made is that we abandon the secondary road program which would then reduce the necessary matching funds required by $2,320,008. The secondary system Federal Aid in the sum of $3,075,359 (See Table No. 14) would be lost. Your Committee seriously doubts that this would be a wise suggestion and certainly would hinder progress in our State. We will have to build the secondary roads eventually if we expect the State to prosper, and if we expect our farmers and ranchers to be competitive with farmers and ranchers in other states. One reason why this suggestion has been made is that the original Federal Aid matching funds were to be used on the primary system and the secondary system was not added until 1935. Therefore, the debenture bonds were sold to match the Federal Aid for the primary system and the gasoline tax which was imposed to pay for the debentures was imposed with the understanding that it would pay for the debentures and the money spent on the primary system. We considered but did not recommend this suggestion.

REFUNDS TO SECONDARY SYSTEM

Your Committee feels that one suggestion which has considerable merit and which should benefit the secondary road system which is primarily for the benefit of the farms and other living in the rural areas, is the suggestion that the gasoline tax law be repealed but that 75 percent of the refund, which would be made if the refund were in effect, would stay in the county entitled to the refunds of its residents. This money would then be used to match the available Federal Aid for Secondary roads in that particular county. The other 25 percent of the refund would go to a special fund and would be used to match Federal Aid available to the counties which are more sparsely settled and which would not be in a position to meet their available Federal Aid because of having small refunds. Table No. 32 shows the refunds by counties and indicates that many counties would get a great deal of secondary road construction if this recommendation were adopted.

STRICTER ENFORCEMENT OF REFUND

Your Committee very definitely feels that there should be stricter enforcement of the refund law, no matter how the refunds are distributed, or what percentage of the total tax is refunded. We feel that the enforcement has been extremely lax. We do not believe that there has ever been a conviction for violating the refund law. A certain number of claims are returned to the field but we believe the only penalty is to disallow a part of the claim.

Opinions expressed from all parts of the State thoroughly convinced the Committee that our gasoline tax refund law is being constantly violated. Your Committee strongly urges that a careful study be made of the methods of regulations governing tax refunds on all fuels, and that the penalty for placing false claims be a fine of not less than $100.00 nor more than $1,000.00, or six months in jail, or both, and that the maximum penalty be mandatory upon conviction of a third offense. The above penalties should be applied to all fuel tax evasions. It is the Committee's opinion that the Board of Equalization has been consistently understaffed to adequately enforce the gasoline tax refund law.

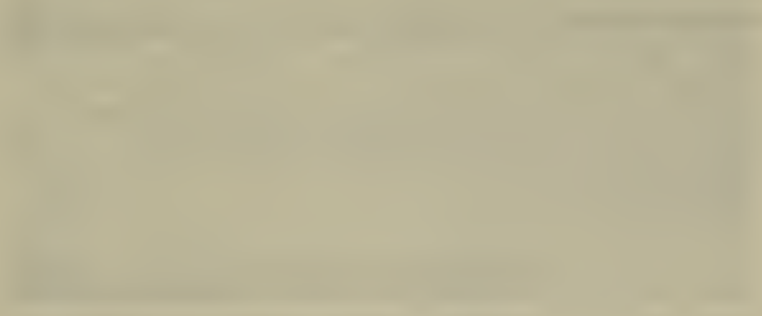
To aid enforcement and to abolish the practice of collecting the refund before the tax has been paid your Committee recommends that all claims for refunds be accompanied by receipted invoices and that claims must be submitted within ninety days from the date of purchase of the gasoline.

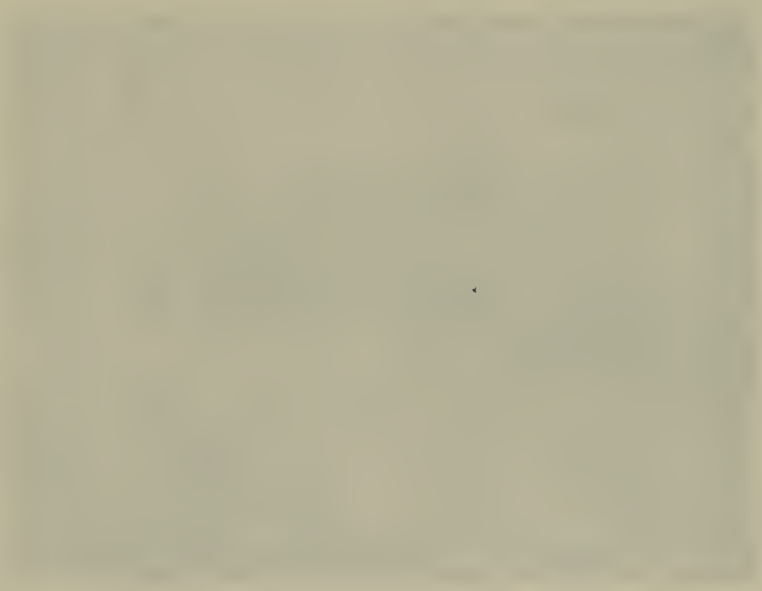
To aid the enforcement of the tax refund law, we recommend a law which will require the adding of color and odor to the gasoline on which a tax is to be refunded. Several states use this method to aid enforcement and they report very good results. Two of the states are New Mexico and Mississippi.

Inspection and enforcement to be handled by the Highway Patrol, with overall administration by the Highway "Administrator". All fines accruing from gasoline tax refund violations to be used for highway purposes.

TRUCK LICENSING

It is the opinion of the Committee, based on statements made by various organizations who appeared before the Committee, that the present method of licensing and taxing trucks is one of the most glaring inequities in Montana's





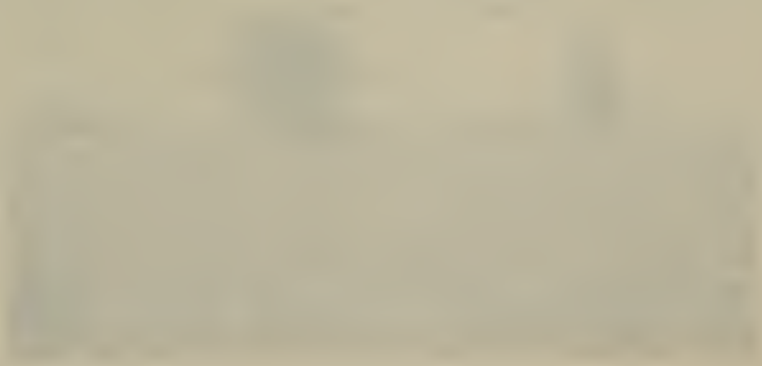


TABLE NO. 32

GASOLINE LICENSE TAX DRAWBACKS FOR THE CALENDAR YEAR OF 1949

CO. NO.	COUNTY	TOTAL	AGRICULTURE	LUMBERING	MINING	COUNTIES	CITIES	SCHOOLS	RAILROAD	AVIATION	INDUSTRY	DOMESTIC	CONTRACT	OIL	COMMERCIAL	MISC.
1	Beaverhead	$ 30,479.93	$ 27,158.67	$ 177.60	$ 1,422.39	$ 388.20	$ 467.10	$ 69.75	$.....	$ 358.13	$.....	$ 19.50	$ 387.29	$.....	$ 31.30	$.....
2	Big Horn	56,201.99	51,574.21	283.80	120.90	1,613.34	235.22	525.40	.....	730.25	426.69	2.35	558.60	.....	131.23	.....
3	Blaine	60,368.45	57,593.16	.....	.....	1,202.45	114.50	30.42	.....	198.26	174.70	56.76	660.66	.....	165.99	171.55
4	Broadwater	20,480.01	18,864.46	295.97	829.14	281.90	.....	.....	.....	13.64	.....	.....	194.90	.....	.....	.....
5	Carbon	51,547.32	48,029.79	95.14	1,068.14	1,307.83	343.80	180.00	55.85	213.72	84.00	7.75	76.05	.....	85.25	.....
6	Carter	15,590.57	14,603.28	88.11	.....	.....	123.35	.....	79.00	254.24	5.50	225.85	117.89	48.50	44.85	.....
7	Cascade	91,312.88	68,891.10	162.50	1,859.90	2,577.68	5,493.27	623.58	.....	2,296.72	86.02	12.43	6,977.37	1,794.15	487.16	51.00
8	Chouteau	111,360.67	109,090.78	.....	95.88	1,279.28	.....	55.39	.....	550.71	155.75	.....	112.73	11.75	8.40	.....
9	Custer	32,037.98	28,542.17	5.40	83.00	958.62	.....	76.45	.....	1,378.08	27.65	103.10	243.97	.....	619.54	.....
10	Daniels	72,249.63	71,530.44	.....	.....	.....	.....	478.31	.....	100.51	30.00	52.50	.....	.....	57.87	.....
11	Dawson	69,519.11	67,657.23	.....	.....	132.90	422.22	155.00	12.12	624.41	76.59	187.32	114.95	.....	136.37	.....
12	Deer Lodge	7,801.96	3,329.71	307.41	1,866.53	1,027.40	482.09	.....	627.64	57.68	.....	.....	.....	.....	103.50	.....
13	Fallon	48,711.80	46,101.05	.....	.....	761.91	.....	68.29	.....	48.50	.....	21.84	583.72	997.66	75.10	53.73
14	Fergus	92,216.14	86,098.69	297.20	1,617.37	1,491.48	759.30	84.09	.....	468.28	53.50	68.85	223.49	744.52	409.37	.....
15	Flathead	56,901.16	34,261.18	9,609.27	484.55	2,466.03	2,107.33	333.10	.....	1,160.55	77.90	679.97	3,642.47	.....	786.31	1,292.50
16	Gallatin	79,357.10	69,231.26	2,104.74	982.73	3,039.56	1,337.40	396.21	.....	928.53	31.60	20.57	455.54	.....	340.15	488.81
17	Garfield	23,703.40	22,868.02	426.00	.....	153.36	.....	11.45	.....	114.32	.....	.....	.....	130.25	.....	.....
18	Glacier	32,777.76	27,507.84	150.86	.....	813.50	275.00	459.40	.....	797.06	.....	140.34	705.35	835.89	1,092.52	.....
19	Golden Valley	11,096.08	10,894.32	.....	.....	102.30	.....	.....	.....	.....	.....	.....	15.95	.....	69.06	14.45
20	Granite	7,669.70	5,417.96	464.04	795.01	731.70	.....	.....	.....	19.47	.....	15.00	63.67	.....	40.20	122.65
21	Hill	96,410.37	93,776.16	.....	22.05	296.70	761.40	65.00	.....	315.16	.....	27.50	680.43	271.94	178.08	15.95
22	Jefferson	13,280.33	10,227.40	308.70	1,498.71	1,101.22	.....	.....	.....	.....	.....	.....	77.30	.....	50.50	16.50
23	Judith Basin	40,348.15	39,986.26	.....	.....	.....	50.05	54.23	.....	53.14	34.87	3.90	32.30	23.45	109.95	.....
24	Lake	40,499.51	33,727.11	1,940.42	23.59	2,023.73	250.31	1,171.32	.....	504.85	.....	592.71	76.67	.....	338.52	250.28
25	Lewis & Clark	28,485.90	16,913.26	1,912.44	2,599.51	1,408.79	2,326.68	.....	.....	1,628.44	151.50	6.60	1,225.13	.....	161.75	151.80
26	Liberty	46,302.16	46,127.66	.....	.....	.....	.....	.....	.....	36.29	.....	.....	78.21	.....	60.00	.....
27	Lincoln	20,041.35	3,718.24	7,815.48	7,252.32	314.75	174.03	.....	.....	181.21	36.50	149.35	334.07	.....	16.50	48.90
28	Madison	28,551.68	25,036.52	312.30	1,314.41	1,008.41	16.90	271.92	.....	152.02	.....	58.50	200.07	.....	161.04	19.59
29	McCone	65,507.22	64,683.47	.....	10.75	291.04	.....	148.75	.....	194.11	5.80	96.70	.....	.....	76.60	.....
30	Meagher	8,370.53	6,954.06	814.39	.....	292.95	21.95	.....	9.50	165.73	.....	.....	.....	.....	111.95	.....
31	Mineral	3,596.73	838.64	2,005.96	375.64	191.00	.....	95.45	.....	.....	.....	.....	69.54	.....	20.50	.....
32	Missoula	36,112.08	16,229.44	6,821.77	899.76	2,594.63	1,404.26	.....	153.88	4,447.54	380.94	407.87	1,688.17	.....	1,004.42	79.40
33	Musselshell	15,582.65	13,816.12	415.18	273.10	200.53	261.37	26.40	.....	63.21	.....	.....	28.70	467.29	27.75	.....
34	Park	28,758.99	24,048.92	259.47	1,356.07	435.70	512.76	.....	.....	967.12	.....	434.50	671.20	.....	74.95	.....
35	Petroleum	8,082.73	6,452.74	.....	.....	113.29	.....	.....	.....	.....	21.10	5.75	.....	1,489.85	.....	.....
36	Phillips	58,296.02	52,401.78	.....	417.35	1,152.67	99.93	.....	58.12	95.95	.....	70.35	3,440.85	353.26	169.40	36.36
37	Pondera	80,301.63	75,970.92	.....	241.75	1,439.65	246.60	139.20	455.35	455.53	.....	69.00	305.01	951.32	10.50	16.80
38	Powder River	24,778.54	24,105.03	98.24	115.97	.....	.....	.....	.....	50.08	.....	102.30	152.67	.....	123.75	30.50
39	Powell	14,503.37	10,692.98	722.25	811.59	885.02	419.92	458.47	.....	15.02	.....	18.10	449.02	.....	31.00	.....
40	Prairie	18,997.11	18,521.91	.....	.....	335.60	.....	.....	.....	48.55	6.78	72.97	.....	.....	11.30	.....
41	Ravalli	40,551.14	34,356.12	3,428.81	.....	1,544.89	238.00	.....	.....	398.24	166.00	.....	395.14	.....	23.94	.....
42	Richland	108,040.61	103,661.01	.....	31.50	1,708.81	245.70	83.75	.....	279.06	1,390.41	.....	600.02	.....	40.35	.....
43	Roosevelt	109,068.06	106,905.73	.....	.....	1,145.06	.....	272.90	.....	630.47	.....	39.65	27.80	.....	18.45	28.00
44	Rosebud	36,107.63	32,596.42	351.10	1,511.23	217.93	161.40	469.21	.....	23.05	.....	362.72	76.37	.....	338.20	.....
45	Sanders	19,333.40	10,066.48	4,217.94	144.25	1,516.83	35.21	544.25	.....	103.85	.....	125.57	2,486.47	.....	92.55	.....
46	Sheridan	104,637.85	101,734.07	.....	165.00	1,585.09	98.36	100.75	.....	172.18	3.00	361.88	92.17	.....	325.35	.....
47	Silver Bow	11,214.92	1,326.83	260.08	2,736.86	1,037.49	2,546.95	160.47	93.11	1,573.83	.....	13.00	1,180.07	.....	240.23	44.00
48	Stillwater	41,069.19	39,131.53	.....	66.69	1,156.25	.....	80.06	.....	85.96	18.80	50.55	106.37	319.54	73.44	.....
49	Sweet Grass	16,840.15	15,536.86	247.50	.....	571.61	80.75	.....	.....	192.60	.....	15.18	180.65	.....	15.00	.....
50	Teton	88,615.61	83,912.59	245.95	198.09	1,349.48	117.25	405.24	.....	1,084.51	162.05	185.96	797.79	.....	112.52	44.18
51	Toole	51,402.01	44,402.32	.....	.....	.....	518.80	306.60	.....	662.07	5.55	46.50	384.64	4,757.38	280.80	37.35
52	Treasure	15,406.99	15,130.56	.....	.....	99.86	.....	.....	.....	44.78	.....	.....	133.79	.....	.....	.....
53	Valley	100,634.66	94,664.70	.....	94.35	1,548.67	470.07	122.25	.....	856.19	.....	685.84	1,746.84	2.75	388.60	54.40
54	Wheatland	14,893.81	13,608.38	62.90	.....	241.04	.....	.....	.....	97.26	.....	.....	.....	671.10	213.13	.....
55	Wibaux	28,286.43	27,720.16	.....	.....	228.75	.....	48.70	.....	87.27	29.45	.....	65.45	.....	106.65	.....
56	Yellowstone	125,172.32	97,053.61	237.25	.....	3,205.75	5,182.11	56.18	.....	4,606.62	503.48	16.65	13,103.77	243.48	956.42	7.00
57	State Wide	195,877.14	.....	.....	.....	.....	.....	.....	55,935.96	138,458.98	507.14	.....	.....	.....	696.73	278.33
	TOTAL	$2,755,364.61	$2,275,283.31	$46,546.17	$33,285.08	$51,571.93	$ 28,404.34	$8,627.94	$57,480.53	$169,043.93	$4,653.27	$6,633.73	$46,021.28	$14,114.08	$11,344.99	$3,354.03

tax structure. Montana is one of the few states in which trucks are licensed on a rated tonnage basis as per Table No. 33.

A preliminary study made by the Montana Highway Dept. shows that the ton mile tax on passenger cars is much higher than it is for trucks. It indicates that truck fuel and use taxes should be increased as much as 245% to make them comparable to passenger car taxes.

It was impossible to arrive at truck tax figures which would be comparable to those of all the other states because of the large number of different types of taxes used by the various states some of which are effective in one state and not in another. Furthermor, there is a wide variation between the amount paid in one state as compared to that paid in another, for example: a heavy truck in New York pays approximately $140.00 while the same truck would pay $2,000.00 in Colorado and nearly $4,000.00 in Florida.

To eliminate some of the inequity the 1949 Legislature passed one of the stopgap measures previously referred to and temporarily anacted a measure entitled, Use Tax. It is the conviction of your Committee that a fair solution to the reveneu problem is first to adjust highway-user tax rated and fees to equalize the financial responsibility of all classes of behicles according to the amount of use they make of the highways and streets and we felt it advisable to try to raise the various rated and fees proportionately to produce the required reveneu. It is therefore recommended that a Gross Vehicle Weight Law be enacted.

You will note in the following recommended schedule of Gross Vehicle Weight fees that we are recommending the same fees for trailers and semi-trailers as truakes and tractors of corresponding weights pending a technical survey now being made with respect to semi-trailer fees which will be available to Montana upon completion about November 15, 1950.

Manufacturers rated capacity does not have any relationship to the load the truck or trailer will carry; whereas G.V.W. rating is the best measure of the road use to be made by the truck.

PROPOSED TAX SCHEDULE FOR TRUCKS, BUSES, TRAILERS, AND SEMI-TRAILERS BASED ON GROSS VEHICLE WEIGHT*

The following graduated fees would be imposed in addition to a flat license plate fee of $10.00 per vehicle: (See Table No. 34)

Declared Gross Weight	Fee	Declared Gross Weight	Fee
Up to 6,000 lbs.	$ 11.00	24,001 to 26,000 lbs.	$138.00
6,001 to 8,000 lbs.	18.00	26,001 to 28,000 lbs.	159.00
8,001 to 10,000 lbs.	21.00	28,001 to 30,000 lbs.	180.00
10,001 to 12,000 lbs.	30.00	30,001 to 32,000 lbs.	204.00
12,001 to 14,000 lbs.	39.00	32,001 to 34,000 lbs.	231.00
14,001 to 16,000 lbs.	51.00	34,001 to 36,000 lbs.	258.00
16,001 to 18,000 lbs.	63,00	36,001 to 38,000 lbs.	285.00
18,001 to 20,000 lbs.	78.00	38,001 to 40,000 lbs.	312.00
20,001 to 22,000 lbs.	96.00	40,001 to 42,000 lbs.	342.00
22,001 to 24,000 lbs.	117.00	Over 42,000 lbs. - $342.00 plus $30.00 for each ton or fraction thereof in excess of 42,000 lbs.	

*See Table No. 35 for comparison of various methods and rates suggested and considered.

TABLE NO. 33

MONTANA TRUCK LICENSE FEES

TRACTOR OR TRUCKS	Regular Fee	Use Tax	Total
1 ton or under	5.00	5.00	10.00
Over 1 ton & up to & including 1½ ton	10.00	10.00	20.00
Over 1½ ton & up to & including 2 ton	22.50	22.50	45.00
Over 2 ton and less than 3 ton	37.50	37.50	75.00
3 ton	60.00	37.50	97.50
Over 3 ton	60.00	60.00	120.00
5 ton	200.00	60.00	260.00
Over 5 ton	200.00	100.00	300.00

Changing to a Flat Rate of $10.00 Would Result In The Following Difference In County Income

TABLE NO. 34

1 ton or under	35,498	5.00	$177,390	10.00	$354,980
Over 1 ton & up to & including 1½ ton	22,063	10.00	220,630	10.00	220,630
Over 1½ ton & up to & including 2 ton	1,833	22.50	41,242	10.00	18,330
.Over 2 ton & less than 3 ton	1,309	37.50	49,087	10.00	13,090
Over 3 ton & less than 5 ton	314	60.00	18,840	10.00	3,140
Over 5 ton	164	200.00	32,800	10.00	1,640
	61,181		$540,089		$611,810

Increased Truck Revenue for the Counties $71,721.00

. Less than 6% of the trucks registered in Montana are now licensed to carry 2 tons or more.

.. 1949 registrations

TABLE NO. 35

PROPOSED TAX SCHEDULE FOR TRUCKS BASED ON GROSS VEHICLE WEIGHT

Model	Type	Capacity & Wheel Base	Unladen Weight	G.V.W.	Payload	Tires	Present License And Use Tax Based on Capacity	Proposed by Mont. Motor Trans. Assoc. based on unladen weight	Utah based on unladen weight	Washington based on G.V.W. Flat Fee $5.00 plus following	** California based on unladen weight & G.V.W. Flat Fee $6.00 plus following	Proposed For Montana based on G.V.W. Flat Fee $10.00 plus following
* F-1	Pickup	½ Ton	3235	4000	765	6.00 x 16 - 4 ply	Lic.5.00-Use Tax 5.00-Tot.$10.00	$ 20.00	$ 7.50	$ 11.00	$ 10.00	$ 11.00
"	"	"	3253	4400	1147	6.00 x 16 - 6 ply	"	"	"	"	"	"
"	"	"	3260	4700	1440	6.50 x 16 - 6 ply	"	"	"	"	"	"
F-2	Express	3/4 Ton L.D.	3738	4900	1162	6.50 x 16 - 6 ply	"	20.00	15.00	11.00	10.00	11.00
"	"	"	3770	5300	1530	7.00 x 16 - 6 ply	"	"	"	"	"	"
"	"	"	3792	5700	1908	7.50 x 16 - 6 ply	"	"	"	"	"	"
F-3	Express	3/4 Ton H.D.	3969	5600	1631	7.00 x 17 - 6 ply	"	20.00	15.00	11.00	10.00	11.00
"	"	"	3982	6100	2118	7.00 x 17 - 8 ply	"	"	"	18.00	"	18.00
"	"	"	4000	6800	2800	7.00 x 17 - 6 ply Front 7.50 x 17 - 8 ply D.R.	"	"	"	"	21.00	"
F-4	Ch. & Cab	1 Ton	3902	7500	3598	7.00 x 20 - 8 ply single	"	20.00	15.00	18.00	10.00	18.00
"	"	"	4060	10000	5940	7.00 x 18 - 8 ply D.R.	"	30.00	"	22.50	21.00	21.00
F-5	Ch. & Cab	1½ Ton 158" W.B.	4338	10000	5662	6.50 x 20 - 6 ply D.R.	Lic.10.00-Use Tax10.00-Tot.$20.00	30.00	15.00	22.50	21.00	21.00
"	"	"	4580	14000	9420	7.50 x 20 - 8 ply D.R.	"	"	25.00	30.00	39.00	39.00
F-6	Ch. & Cab	2 Ton 158" W.B.	4660	14000	9340	7.50 x 20 - 8 ply D.R.	Lic.22.50-Use Tax 22.50-Tot.45.00	30.00	25.00	30.00	39.00	39.00
"	"	"	4765	16000	11235	7.50 x 20 - 8 ply Front 8.25 x 20 - 10 ply D.R.	"	"	"	50.00	51.00	51.00
F-7	Ch. & Cab	2½ Ton 159" W.B.	6186	17000	10814	8.25 x 20 - 10 ply D.R.	Lic.37.50-Use Tax 37.50-Tot.75.00	40.00	50.00	50.00	63.00	63.00
"	"	"	6300	19000	12700	9.00 x 20 - 10 ply D.R.	"	"	"	70.00	78.00	78.00
F-8	Ch. & Cab	3 Ton 159" W.B.	6686	20000	13314	9.00 x 20 - 10 ply D.R.	Lic.60.00-Use Tax 37.50-Tot.97.50	40.00	50.00	95.00	78.00	78.00
"	"	"	6820	22000	15180	10.00 x 20 - 10 Ply D.R.	"	"	"	120.00	96.00	96.00

NOTES: * Ford Motor Company Truck Handbook - 1950

** Proposed by Senate Interim Committee (Created by S.R. 129 of 1949 Regular Session) for consideration by 1951 Session. The Committee is recommending that Unladen Weight method of assessing fees be abandoned in favor of G.V.W. for trucks with unladen weight of 4,000 pounds and up.

Trailers up to 1,000 lbs. 5.00 with registration fee of $2.00

HOUSE TRAILERS - 50¢ per foot of overall length, with minimum fee of $5.00 Registration fee of $5.00.

At the time of applying for license, the applicant owner, shall declare the maximum gross weight of the truck, trailer, or other vehicle, loaded. The declared loaded weight of the vehicle shall be shown on his receipt for payment of the capacity fee and the declared gross loaded weight of the vehicle shall be stamped on the vehicle in a place visible to highway patrolmen. Trucks, trailers, or semi-grailers shall be subject to inspection and weighting at all times by enforcement officers.

The semi-trailer units are to pay the G.V.W. fee on the tractor, the semi-trailer is to pay a license fee and carry license plates but not pay a capacity fee.

Loading of units in excess of the declared gross loaded weight shall constitute a violation of the law, and penalty for violation shall be a fine of not less than $100 for the first offense, $250 for the second offense, and $500 for the third offense. $500 shall be the maximum penalty for any offense. The county treasurers are to remit the proceeds to the State Highway Department every 30 days after deducting 5% to defray expenses.

The law should require that excess weight be unloaded at the location where the infraction is discovered.

The capacity fees will be collected by county treasurers at the time license plates are issued for each vehicle annually. The proceeds from same shall be remitted to the State Treasurer on the first day of each month for the credit of the Montana Highway Commission. County Treasurers will be authorized to collect one-half of the capacity fee on license applications submitted after July 1st of any year. County Treasurers are to deduct 5% from the amounts collected to defray their expenses.

Trucks, tractors, trailers, and semi-trailers, with gross weight exceeding 20,000 lbs. should be allowed to purchase gross weight licenses for three calendar-month period at 1/4 the above fees, plus $10.00 additional fee.

OVERLEGAL LOADS

Montana provides for overlegal permits Sec. 32-1127, however, our law does not provide proper fees and penalties and we recommend the enactment of the fees and provisions as stated in Appendix No. 3 which is taken from the Washington law.

ITINERANT TRUCKS

In view of the large number of itinerant trucks which travel into Montana, many of them making only an occasional trip, we believe it necessary to tax them on a mileage basis in accordance with the tonnage they are carrying. We recommend a mileage fee as shown on Table No. 36.

MILEAGE TAX RATE TABLE FOR ITINERANT TRUCKS

TABLE NO. 36

Declared Combined Weight (pounds)	Fee Rates Per Mile (Mills)	Declared Combined Weight (pounds)	Fee Rates Per Mile (Mills)
4,501 to 6,000 inclusive	6.00	28,001 to 30,000 inclusive	23.00
6,001 to 8,000 "	7.50	30,001 to 32,000 "	24.00
8,001 to 10,000 "	9.00	32,001 to 34,000 "	25.50
10,001 to 12,000 "	10.50	34,001 to 36,000 "	26.50
12,001 to 14,000 "	12.00	36,001 to 38,000 "	27.50
14,001 to 16,000 "	13.50	38,001 to 40,000 "	29.00
16,001 to 18,000 "	15.00	40,001 to 42,000 "	30.50
18,001 to 20,000 "	16.50	42,001 to 44,000 "	32.00
20,001 to 22,000 "	18.00	44,001 to 46,000 "	33.50
22,001 to 24,000 "	19.50	46,001 to 48,000 "	35.00
24,001 to 26,000 "	21.00	48,001 and over	36.50
26,001 to 28,000 "	22.00		

FARM TRUCKS

Motor trucks owned and operated by farmers in the transportation of their own orchard, farm, dairy, or other agricultural produce from point of production to market should pay half fees up to seven tons G.V.W. and the regular fees for seven tons and over. Motor trucks owned and operated by co-operative associations or co-operative marketing associations are to pay the regular fees.

4-WHEEL VAN TRACTOR AND 4-WHEEL VAN TRAILER COMBINATION

Classed as two separate units. Pay same fees as tractor and semi-trailer shown above.

INCREMENT TAX

The State of Oregon has been one of the most progressive in highway administration and you will recall they were the first to use the gasoline tax. They are now developing another first, known as the increment tax system for trucks and buses. They have had an Interim Committee since 1935 and they have also had an engineering survey made by the National Highway Users Conference, an independent engineering organization. They found that the fair way to approach the truck tax problem was to figure the cost of highways necessary to carry passenger cars and small commercial units; then to figure the successive cost increases necessary to carry successively larger vehicles. They decided that trucks and buses should pay for one-third of the entire highway construction cost. The State of California, which has approached the problem in a similar way, has figured the amount reasonably chargeable to trucks at 22 per cent.

Oregon then grouped the various units on a gross vehicle weight basis and charges a successively higher mileage charge per mile with the idea that the truck operators should pay for the heavier road and pavement structures which they demand and for the mileage they travel on Oregon highways. This system of taxation seems very fair to your Committee. However, the Committee felt that it might be difficult to police and enforce such a tax. We thought it advisable to wait until the State of Oregon and probably others, have more experience with the actual operation of this type of third structure tax. The original law was first passed by the 1947 Session.

UNLADEN WEIGHT vs G.V.W.

We considered the unladen weight method of taxing trucks, however, we found that, at least, some of the states which are using this method are very anxious to dispose of it. California has used this method for several years and has tried to get its Legislature to substitute the GVW method during their two most recent sessions. However, California also assesses commercial trucks a gross receipts tax which has complicated their problem of trying to change from the Unladen Weight to GVW. Their Interim Legislative Fact Finding Committee is again going to strongly recommend the GVW method.

We also contacted the highway officials of Utah where they now use the Unladen method. They have advised us that they would much prefer to use the GVW method and they are going to recommend the change to their next Legislature.

"The most popular measure is gross weight which is now used in 25 states. Moreover, five states which have revised their user-tax systems since 1943 have shifted from some other measure to gross weight for heavy vehicle taxation. (1.) We have discovered no state which has discarded gross weight for some other measure. Our correspondence with administrators in other states reveals no dissatisfaction with the gross weight system. (2.)

Gross weight appears to be superior to unladen weight as a tax measure for several reasons. (3.) First, the relationship between unladen weight and the actual weight which a vehicle will impose upon the highway is a loose one at best. Two vehicles may have equal unladen weights but the actual weights they impose on the highways may vary considerably. It seems manifestly unfair to charge one vehicle which weighs 5,000 pounds unladen but never weighs as much as 10,000 pounds on the highway the same fee charged another vehicle which imposes 14,000 or 15,000 pounds on the highway.

From an engineering standpoint, gross weight rather than unladen weight is a consideration in the design and construction of roads and bridges, and it is the loaded vehicle, not the empty vehicle, which may cause damage to highway facilities. (4.)

Considered in relation to relative use of the highways, it also appears that gross weight is a better tax measure than unladen weight. Thus, a vehicle which carries a load equal to twice the load carried by another vehicle of equal unladen weight appears to derive the greater benefit from highway use. (5.)

In addition to promising more equitable tax treatment, the gross weight method of taxation should aid highway policing and promote highway safely. No vehicle could be licensed for more than the maximum load which it is permitted by law to carry on the highways. Thus, a vehicle which was over loaded would be in violation of both the licensing and the load limitation statutes. Penalties and possible loss of license would be a strong added deterrent to excessive loading. It is also likely that smaller vehicles would not ordinarily be licensed

1. These are Arkansas, Kentucky, Maine, Mississippi and Missouri.
2. A list of questions regarding certain features of gross weight taxation and enforcement was submitted to administrators in each of the states which use the gross weight system. The replies furnished useful information for formulating the tax system suggested here.
3. See Lindman, Op.cit., p. 78; and Board of Investigation and Research op. cit., pp. 210-211.
4. More precisely, axle loads and spacing are primary considerations but in the interest of simplification gross vehicle weight is considered the most satisfactory tax measure.
5. It is not implied that declared gross weight is a precise measure of highway use. For example, one vehicle may carry the maximum for which it is licensed only infrequently during the registration period while another may nearly always operate at its licensed maximum. Neverthless, gross vehicle weight appears to have a closer relationship to highway use than unladen weight.

ADMINISTRATION

Administration of gross weight taxation appears to be more difficult than the unladen weight system. However, the advantages of unladen weight taxation from an administrative standpoint are somewhat illusory. In order to check possible unladen weight fee violations it is necessary to weigh vehicles when empty. Rarely are vehicles completely empty. At least they are not as empty as when weighed for the original unladen weight fee determination. In fact, it seems to be widespread practice to strip vehicles to a bare minimum for original weighing in order to minimize unladen weight fees. Obviously, when the Highway Patrol checks for load limit violations, it cannot, at the same time, check unladen weights without unloading the vehicles.

On the other hand, if gross weight taxation were adopted, weighing by the Patrol would provide a simultaneous check on both compliance with the licensing law and the axle load limitation laws.

No doubt effectual administration of gross weight licensing would require an increase in the number of state highway scales. However, in our opinion, the additional equipment ought to be provided in any event to permit better control of loading practices. Strict enforcement of size and weight limitations is essential if we are to preserve the tremendous investment which has been made in our road plant. Adequate compliance is not secured at present. With more equipment and with the added force of penalties for improper licensing, the Highway Patrol should be able to better its program of highway protection.**

TAX ON NEW CARS

One of the stop-gap revenue measures adopted by the 1949 Montana Legislature was a new car tax and it is estimated that the annual net return to the Highway Department will be $314,000 as shown on Sheet 3, Table No. 15. This law was passed on the theory that a citizen who buys a new car after the first of January does not pay a property tax since January 1st is the assessment date for automobiles. However, in effect this law assesses new automobiles for taxation every day during the entire year whereas other property is assessed on only one day, the first Monday in March.

It should also be remembered that the purchaser of a new car immediately starts to pay into the highway fund by paying gasoline tax.

There is another glaring inequity in this law in that it charges the same rate for all makes of automobiles, regardless of the price, which in turn is at least some measure of the ability to pay. Therefore, we recommend that if this tax is to be retained that it be assessed at the rate of one percent of the F.O.B. list price of the automobile, during the first quarter, three-fourths of one percent during the second quarter, one-half of one percent during the third quarter, and one-fourth of one percent during the fourth quarter, this assessment to be made when the owner applies for his original Montana license through his County Treasurer. The f.o.b. list price of all automobiles is shown in the N. A. D. A. Book, or Blue Book, either one of which is in every County Treasurer's office for assessment purposes.

* Partial report of the Senate Interim Committee on Highways, Streets and Bridges, (California.)

With regard to used automobiles which are brought into Montana and are licensed in Montana for their first time, the percentage should be the same as for new cars, declining quarterly. The valuation should be the average retail price shown in the N. A. D. A. Book for the vehicle.

The proceeds from the above tax should be remitted to the State Treasurer every 30 days for the credit of the Montana Highway Commission. County Treasurers should be allowed to deduct 5% from the amount collected to defray their expenses.

M. R. C. FUNDS

Your Committee has been advised that among the revenue paid to the Montana Railroad Commission are M.R.C. funds paid by public carriers, mainly trucks and buses. We understand that these funds are used to operate the Department and that there is an annual surplus of approximately $75,000 which is paid to the State General Fund. We propose that since this revenue comes from the highways, that any surplus which may accrue from year to year should go to the highway fund. It is recommended that legislation necessary to accomplish this transfer be enacted.

2% PETROLEUM PRODUCTION TAX

Since a very high percentage of crude oil is eventually used in automobiles which use our highway system we recommend that the 2% Petroleum Production tax* be paid into the Highway Fund instead of into the State General Fund. It was the feeling of the Committee that the Highway system should be self supporting and the revenue should come from the transportation industry and we believe that the Petroleum Production Tax is part of this revenue.

SUMMARY OF TAX MEASURES RECOMMENDED AND APPROXIMATE REVENUE THEY WILL PRODUCE

Additional 1¢ per gallon tax on motor fuels without refund	$2,250,000.00
Eliminate refund of 1¢ of present gasoline tax	600,000.00
Gross Vehicle Weight tax	1,500,000.00
New car tax in lieu of property tax	325,000.00
Stricter enforcement of gasoline tax refund law	500,000.00
Transfer state petroleum production tax revenue to Highway fund	474,000.00
Transfer MRC motor vehicle surplus revenue to Highway fund	75,000.00
Motor transport caravan tax	8,000.00
	$5,732,000.00

The above recommendations are the result of considerable study of Montana's highway problem which is very similar to the problems faced in most other states but, if we intend to progress in a state with vast area and small population we must give every possible consideration to improving, expanding, and maintaining our highways. To have the highways which Montana must have to attract new industries, to make our products competitive with those of other states and to compete for tourist revenue will cost money. If we want Montana to grow and prosper there is no better way than through a financially sound highway program

* Section 2398 R.C.M. 1935, Oil Producers License Tax, 2% of value.

for which every segment of our economy should be willing to pay its fair share.

Montana must move ahead or back, there is no chance to stand still, transportation has been essential since the dawn of history and its importance grows as civilization moves ahead. If we are unable to get all the suggested program because of some selfish groups let us get as much as possible and this group or groups may decide later to pay their fair share. Someone had said, "Do not sacrifice a possible good for an improbable better."

"The highest highway in the world is in the Peruvian Andes, the longest is the old silk route in Central Asia, the most heavily traveled is between New York and Philadelphia, but the most important highway in the world is the road past your door."

The highway past your door costs money and you must be willing to pay.

STATE ADVERTISING

We briefly referred to tourist revenue ($65,294,801 in 1949: report by Albert Erickson, Montana Advertising Director) and would like to call your attention to the fact that Table No. 37 shows the estimated sources of revenue for 1950, and shows that 12 percent of our gasoline tax is paid by out-of-state cars and trucks, and results in highway revenue in the amount of $1,204,860.00. The $50,000.00 advertising budget is only 4.15 percent of the tourist tax income, and is less than 1/10 of 1 per cent of the tourist revenue. However, if we build highways with Montana residents in mind and for their benefit and enjoyment, we will continue to attract tourists and travelers. This will increase their contributions to the highway funds and in addition they will continue to swell the amount spent by tourists, which benefits every resident of our State. In this connection, we believe that it would be advisable for the State of Montana to give serious consideration to increasing the advertising appropriation by at least four or five times the alloted $50,000 per year. If we are going to sell the attractions of the State of Montana in the population centers of the country we must compete with the other states. Some of the annual advertising appropriations are as follows:

Oklahoma	$870,200
New Mexico	251,000
Oregon	250,000
Washington	125,000

Montana ranks 34th among the 42 states which appropriate state money for advertising.

RIGHT OF WAY

The acquisition of land on which to construct modern highways and streets constitutes a major element of cost, in contrast with earlier periods when property was not as highly developed and owners conceded much right of way to gain the benefits of new roads.

Relocation of an existing facility almost always involves the acquisition of valuable property adjacent to an existing route, quite often at such an expense that consideration must be given to another location. This may be undesirable because of the effect on property values near the existing route and because a

TABLE NO. 37

ESTIMATED SOURCE OF ANNUAL ROAD USER REVENUE FOR SUPPORT OF STATE HIGHWAYS

DISTRIBUTION BY TYPE OF VEHICLE AND TYPE OF OWNERSHIP

ESTIMATED FIGURES FOR YEAR 1950

TYPE OF VEHICLE AND OWNERSHIP	GASOLINE TAX		VEHICLE TAX		TOTAL TAX	
	Amount	%	Amount	%	Amount	%
Rural Passenger	$2,135,888	21.45	$ 308,527	21.65	$2,444,415	21.47
Urban Passenger	2,842,872	28.55	462,790	32.47	3,305,662	29.04
Out-of-State Passenger	1,100,306	11.05	-0-	-0-	1,100,306	9.67
Sub-Total	6,079,066	61.05	771,317	54.12	6,850,383	60.18
Rural Truck & Bus	2,668,615	26.80	475,361	33.37	3,143,976	27.62
Urban Truck & Bus	1,105,285	11.10	158,453	11.11	1,263,738	11.11
Out-of-State Truck & Bus	104,554	1.05	19,983	1.40	124,537	1.09
Sub-Total	3,878,454	38.95	653,797	45.88	4,532,251	39.82
TOTAL	9,957,520	100.00	1,425,114	100.00	11,382,634	100.00

new location might result in only partial benefits to potential users.

Rights of way for all systems must be adequate for future widening when required, to preserve the highway investment, to permit roadside development of scenic values including picnic spots and roadside parks along the route, and to control movement on and off the highway.

It is necessary that locations on all routes be permanently established as rapidly as possible and rights of way acquired far in advance of construction. Early acquisition often results in substantial financial savings, and tends to stabilize community development.

We suggest that the assessed value as shown by the county records be used as prima facie evidence as to the value of the property. If part of some property is sold to the Highway department for an amount in excess of the assessed valuation than the adjacent property owned by the same party should be assessed at the price received for the property sold. Public funds should not be used to pay phoney prices.

REFUND MORATORIUM

One method suggested to obtain funds especially if we are in danger of losing Federal sid for the secondary system, is to enact a moratorium on refunds for two years. This money, together with the matching Federal aid, could only be used on the secondary system and in the county whose residents would have been entitled to the refund.

Your Committee did not feel that it would be advisable or fair to suggest any system which would eliminate all the refunds even for a limited time.

USE FUEL TAX

Your Committee passed a resolution as follows: "Vehicles using fuel other than gasoline are to pay 25% more than the regular truck weight fees." It was the feeling of the Committee that diesel fuel and other fuels used in place of gasoline should pay a higher percentage per gallon than the rate paid on gasoline because of the greater mileage obtained from these fuels. However, we are not prepared to make a definite recommendation at this time, but will supplement this report with a definite recommendation about December 1st. The State of Washington is now making a $50,000.00 study to determine the fair rate to be charged various use fuels as compared to gasoline. They have advised us that we may use their facts as a basis of our recommendations and their report will be available to us about November 15th.

ANTI-DIVERSION AMENDMENT*

User taxes are typically regressive. Thus, when they are devoted to non-highway purposes or to highway purposes which the users cannot properly be asked to bear, they violate principles which most of us would favor. In other words, we would have a high and regressive sales tax levied against one commodity under

* See Table No. 38

STATES HAVING ANTI-DIVERSION CONSTITUTIONAL AMENDMENTS

TABLE NO. 38

CALIFORNIA*	MASSACHUSETTS	OHIO
COLORADO	MICHIGAN	OREGON
IDAHO	MINNESOTA	PENNSYLVANIA
IOWA	MISSOURI	SOUTH DAKOTA
KANSAS	NEVADA	TEXAS*
KENTUCKY	NEW HAMPSHIRE	WASHINGTON*
MAINE	NORTH DAKOTA	WEST VIRGINIA

* States in which substantial sums of highway use revenues are expended for non-highway purposes under the amendments.

the guise of a benefit tax. A special group of taxpayers and a particular commodity would be subjected to excessive and discriminatory tax treatment.

Montana has been fortunate in that very little of its highway funds have ever been diverted and it is our understanding that there is no possibility of diversion as long as we have a bonded indebtedness, however, if our recommendation is followed and we refrain from selling bonds in the future we will eventually retire our present bonded indebtedness and then there may be an attempt to divert some of the highway revenue, therefore, we believe that necessary legislation should be passed to avoid this possibility.

LIMITED FUNDS

In view of our limited funds we would recommend that road construction involving bridges, over-passes or other types of construction which require a heavy investment for a very small mileage be deferred wherever possible.

HIGHWAY PATROL FUNDS

We recommend that various Highway Patrol fees, fines, etc. be paid to a Highway Patrol fund under the supervision of the Highway Commission and the patrol be placed on a self-supporting basis rather than be dependant on an appropriation from the Legislature. Any surplus income which the Patrol may receive should then be returned to the Highway fund. We believe that this would make a more effective, efficient and financially sound Highway Patrol, especially in view of the fact the Highway Commission acts as the Patrol Board.

We also believe that the Patrol should be expanded in the interest of safety and for the protection of our roads. The Patrol can help tremendously to save our roads by properly enforcing the various regulations imposed by the Legislature and the Highway Commission. Furthermore, if we increase the safety on our highways it will encourage people to travel which will add to their enjoyment from the roads and increase the road revenue.

TAXABLE FUEL IN TRANSIENT UNITS

We recommend that any vehicle which enters the State and which carries an excess of twenty gallons of fuel for consumption in that vehicle should have the excess above twenty gallons taxed for the benefit of our Highway fund. Many large units now enter our State and travel several hundred miles and never purchase any fuel in Montana thus they avoid paying any contribution to our Highway fund. We know of two States, Nebraska and Kansas, in which such a law is effective.

TOLL ROADS

We appointed a sub-committee to make a study of the advisability of recommending toll roads or bridges in Montana. The committee studied the results obtained from such projects as the Pennsylvanis Turnpike and decided that our great distances and sparse population would make any toll rate unadvisable.

LICENSE EXPIRATION DATES

To facilitate the work of the Registrar of Motor Vehicles and to avoid

registering all of the vehicles on January 1st, which tends to throw an extremely heavy load on the Registrar's office at one time of the year, we recommend that certain licenses expire at the end of each month during the year. The State of Oregon and several others use this system and find it very satisfactory.

HIGHWAY SPECIFICATIONS

Since a penny saved is a penny earned we recommend that specifications for road projects be written with extreme care to minimize the element of risk with which the contractor will be faced. This will result in lower fees as the bidders will have a more definite idea as to what will be expected of them. Wyoming advised us that they were able to get much more satisfactory bids when they improved the writing of their specifications. They stated in part as follows: "We are endeavoring to avoid standardization in our design in an effort to effect maximum economies in each individual project without sacrificing soundness or safety features.

That such savings can be made through proper preliminary studies has been demonstrated on numerous projects constructed under recent programs.

Projects are set up in such a manner that uncertainties of requirements be eliminated, and that items of cost to the contractor which are not essential to the finished job be minimized.

Very considerable additional saving have resulted by completing thorough field studies of the projects prior to design. Here the field engineer must be alert in all phases of his location survey."*

EQUIPMENT SPECIFICATIONS

Writing specifications for equipment is somewhat similar to writing specifications for projects mentioned in the previous section. We believe that it is important that specifications be written to insure a maximum of bidding and competition rather than having the Department write specifications which restricts the number of suppliers, and which results in higher prices for the equipment.

SAFETY

Your committee many times discussed and considered the highway safety problem. Factors involved in the cause and solution of this problem are numerous.

Prevention of the tremendous loss of economic wealth due to accidents would more than compensate for the cost of our highway system in benefits to road users. In addition to the waste of wealth is the loss of human life, and suffering and hardship resulting from highway accidents.

The committee realizes there are no adequate controls over the complexities of human behavior, weather conditions, and mechanical stability of automotive vehicles to insure freedom from accidents on our highways.

In many instances, sight distances, curves, grades, and width of our highways do not conform to adequate safety standards. However, many miles of these highways were constructed for a small volume of lighter vehicles at lower speeds.

* By Talcott Moore, Construction Engineer, Wyoming Highway Department.

To increase safety, all physical features are considered modern highway designing, and many improvements have already been made in our highway system by the elimination of curves and removal of sight obstructions.

Traffic safety is a wide field embracing technical engineering knowledge, public education, and law enforcement. Your committee feels that traffic safety is a vital part of our highway program which must necessarily be entrusted to specialists in the fields involved.

LEGISLATIVE FACT-FINDING COMMITTEE

Your Committee has studied the highway reports of several states, and has also talked with interim Chairmen from other states, as well as highway officials. We have been in contact by telephone, letter, and personal visits with Utah, Idaho, Washington, Oregon, and California. We are convinced that a thorough study of our highway problems should be made, and we would recommend that a Fact-Finding Committee be appointed during the next Legislative Session, and we would suggest that it be composed of twelve members, six from the House and six from the Senate. To get state-wide representation of Representatives and Senators, we would suggest that the Senators be selected from the even numbered financial districts, and the House Members from the odd numbered financial districts--or vice versa. This group should elect one of their number as C hairman, and to do proper work, there should be an appropriation so the Committee will be in a position to employ at least one expert to direct the efforts of the staff.

We are recommending that the Interim Committee be composed of Legislative Members since they have the proper prestige with the other Members during a session, and they are responsible to the entire public. They are in a position to prepare the way for proper representative action at the opportune time. There must be an appropriation sufficient po pay for the necessary experienced engineers and economists who have had experience in highway methods. Research is like any other service or commodity, and if we expect to get a first-class study summarized in a report, it will be necessary for the Legislature to provide funds.

The last Session of the Idaho Legislature appropriated $50,000 for such a study. Washington is now spending $50,000 on a study to decide what the proper tax should be on fuel oils, other than gasoline, and what tax should be placed on trailers. Oregon has had an Interim Committee of one kind or another since 1935, and one report cost $250,000. The Committee feels that the best way for Montana to expand and grow is to have a good, sound highway program.

DIVISION OF HIGHWAY RESPONSIBILITY

In working on th is report, we have tried to arrive at a fair Tax Program which would give us a maximum of highways with fair and reasonable contributions on the part of various segments of our economy. We have considered the benefits received by various groups and individuals as well as the ability to pay. However, a satisfactory division of highway responsibility is by no means simple. Doctor Burton N. Behling well characterized the difficulty as follows:

"When all is said and done, there are some problems which cannot be solved by statistical methodology. With respect to the problem presented here, which involves joint costs and responsibilities, scientific allocations are impossible; a straining for a definitiveness which is non-existent can only give results which are deceptive in their apparent exactness."*

* Public Aids to Domestic Transportation, S. Doc. 159, 79th Congress, 1st Session (1944), P. 252.

A Legislator concerned with Tax Equity must meet the issue, and therefore looks to the Tax Expert for advice to arrive at a fair Tax Allocation. After the experts have compiled basic motor vehicle data, and studied our present facilities and conditions peculiar to Montana, they may then consider various methods of allocating the cost such as:

(1) Increment Theory
(2) Gross Ton-Mile-Theory
(3) Operating Cost Theory
(4) Differential Benefit Method
(5) Space-Time Theory

After reading this report, you will no doubt be aware that we have not discovered any "magic" formula to solve the difficult phases of our financial problem. However, we have contacted a large number of organizations representing a majority of our citizens, and we have tried to suggest a program which would be reasonably fair, and not too expensive for anyone--either individual or group.

ENACTMENT OF THE PROGRAM

Your Committee has voted to offer its further services to you and the Legislature to formulate and execute a satisfactory Highway Program, if you or the Legislature feels that the Committee or any of its members can be of further service.

The Committee also wishes to express its commendation to the Officials and Employees of the Highway Department for the courteous and valuable assistance given your Committee.

We also wish to thank Dr. L. I. Iversen of the School of Business Administration, Montana State University, for his help and advice.

APPENDIX 1.

TRAFFIC REQUIRED ON PRIMARY ROAD TO ATTAIN FINANCIAL SOLVENCY

The cost of constructing and maintaining an average mile of primary road is difficult to determine because of variable conditions encountered throughout the state. The cost not only varies with the location, but it also varies according to the amount of previous construction that can be salvaged.

The cost of new construction should approximate $40,000 or $50,000 per mile, excluding rock excavation or unusual amounts of bridge work. Accepting $40,000 per mile as a munimum figure, the following table shows the amount of traffic that would be required to pay maintenance costs and amortized construction costs over a twenty year period.

Initial construction cost	$40,000.00
Less: Federal Aid	22,800.00
Net State Cost	$17,200.00
Annual Cost (20 Years at 2% Interest	$1,051.00
Annual Maintenance Cost	600.00*
Total Annual Cost	$1,651.00
Daily Cost	$ 4.52
Traffic required at .005 per vehicle mile	904 Daily

The average motorist pays $ .005 in motor fuel and use tax at present rates for each mile that he drives his vehicle. On this basis, it would require 904 vehicles per day of traffic for the average mile of primary road to pay its own costs from its own traffic. The state also receives the tax from motor fuel consumed on county roads and city streets and if this "subsidy" is apportioned to the mileage on State Highway Systems the revenue would be increased to $ .008 per vehicle mile. It would then require 565 vehicles per day to retire all costs.

* This figure is slightly higher than the 10 year average but it is much less than the cost in recent years. Schedule 9, shows a maintenance cost of approximately $1000.00 per mile for 1949.

APPENDIX 2.

COMPARISON OF REVENUE BETWEEN 1949 AND 1950
FOR PERIOD OF FIRST SIX MONTHS

MOTOR FUEL TAX

Six Month Period	Gallons of Fuel Taxed	Net Amount Collected by Collecting Agency	Amount of Cash Received in the Highway Fund	Percent of Increase
1950	76,812,905	$4,641,265.00	$4,580,957.15	
		Less Sinking Fund Payments	711,000.00	
		Less Sundry Appropriations	24,647.22	
		Net Amount available to the Highway Fund for construction & maintenance in 1950.	$3,845,309.92	
1949	73,884,924	$3,694,246.00	$3,526,770.07	
		Less Sinking Fund Payments	546,000.00	
		Less Sundry Appropriations	22,720.53	
		Net amount available to the Highway Fund for construction & maintenace in 1949.	$2,958,049.54	
INCREASE	2,927,981	$ 947,019.00	$ 887,260.39	29.99 - 1950 over 1949

INCREASE DUE TO NEW LEGISLATION

Allowance for increase in gasoline collections due to new legislation and adjustments by the Board of Equalization.	$ 800,619.95	37.06
Motor vehicle use tax collections from 1/1/50 to 6/30/50 due to new legislation	$1,359,660.00	62.94
Total increase due to new legislation	$2,160,279.95	100.00

APPENDIX NO. 3

The Director of highways or local authority is authorized to issue or withhold such permit at his or its discretion; or, if such permit is issued, to limit the number of trips, or to establish seasonal or other time limitations within which the vehicle described may be operated on the public highways indicated, or otherwise limit or prescribe conditions of operation of such vehicle or vehicles when necessary to assure against undue damage to the road foundation surfaces or structures or safety of traffic and may require such undertaking or other security as may be deemed necessary to compensate for injury to any roadway or road structure.

The following fees, in addition to the regular license and tonnage fees, shall be paid for all movements made upon state primary or secondary highways. All funds collected shall be forwarded to the State Treasurer and shall be deposited in the motor vehicle fund:

All overlegal loads, except overweight, single trip..... $ 4.00
Continuous operation of overlegal loads having either over width or over-height features only for a period not to exceed thirty (30) days..... 25.00
Continuous operation of overlegal loads having over-length only for a period not to exceed thirty (30) days..... 10.00
Continuous operation of an overlegal vehicle as a pilot model and/or semi-trailer as a pilot model for a period of one (1) year..... 50.00
Continuous operation of combination of vehicles composed of more than two (2) vehicles single trip..... 4.00
Continuous operation of a combination of vehicles composed of more than two (2) vehicles -- thirty (30) days..... 10.00
Continuous operation of a combination of vehicles composed of more than two (2) vehicles, including issuance up to and including four (4) permits to the same operator for a period of six (6) months..... 40.00
Continuous operation of a combination of vehicles composed of more than two (2) vehicles, including issuance up to and including six (6) permits to the same operator for a period of one (1) year..... 60.00

Overweight Fee Schedule

Weight over that allowed - by statute	50 mi. or less	Miles traveled over 50 miles but less than 200 miles	200 miles or more
7,000 lbs. or less	$5.00	$10.00	$15.00
7,001 to 13,999 lbs. overlegal	10.00	20.00	30.00
14,000 to 19,999 lbs. overlegal	15.00	30.00	45.00
20,000 pounds or more overlegal	50.00	100.00	150.00

APPENDIX NO. 3

An additional two thousand (2,000) pounds gross load over and above the maximum gross load, when fully licensed, as permitted in section 50, subsection (a) for three (3) axle trucks, two (2) axle trailers, three (3) axle trailers and three (3) axle truck-tractors, for operation on highways or sections of highways which have been designed and constructed for weights in excess of legal limitations, as further provided by law and further determined by the Director of Highways to be capable of withstanding the increased loading may be allowed, under special permit, upon payment of fifty dollars ($50) annually for each vehicle operated. The permit shall be issued for a period not to exceed one (1) year which shall have a commencing and expiration date the same as the motor vehicle license date provided by law.

For the purpose of this fee schedule, mileage shall be determined from the Planning Survey Records of the Department of Highways, and the gross weight of the vehicle or vehicles, including load, shall be as declared by the applicant. Overweight on which fees shall be paid will be gross loadings in excess by law, whichever is the greater. Loads which are overweight and oversize shall be charged the fee for the overweight permit without additional fees being assessed for the oversized features.

Fees established in this section shall be paid to the political body issuing the permit if the entire movement is to be confined to roads, streets or highways for which that political body is responsible. When a movement involves a combination of state highways, county roads and/or city streets the fee shall be paid to the Director of Highways but such fee shall not be collected nor the state permit issued until valid permits are presented showing that the political bodies involved approve of the move in question. A permit will not be required from city or town authorities for a move involving a combination of city or town streets and state highways when the move through a city or town is being confined to the route of the state highway. When a move involves a combination of county roads and city streets the fee shall be paid to the county authorities, but the fee shall not be collected nor the county permit issued until valid permits are presented showing that city or town authorities approve of the move in question.

Any person who misrepresents the size or weight of any load in obtaining a permit or does not follow the requirements and conditions of the permit shall be guilty of a misdemeanor and upon conviction thereof shall be fined not less than fifty dollars ($50)or more than one hundred dollars ($100).

Any person who operates any overlegal vehicle without first obtaining a permit shall be quilty of a misdemeanor and upon conviction thereof shall be fined not less than one hundred dollars ($100).

Every permit issued hereunder shall be carried in the vehicle or combination of vehicles to which it refers and shall be open to inspection by any peace officer or authorized agent of any authority granting such permit.